Roadshow Presentation
Nine months
October 24 / 2018

Iberdrola, “utility of the future”
Outlook 2018-2022
The energy sector continues to transform

Decarbonisation and electrification

Driving more electricity demand, renewables and networks

Driving cost reductions and creating new business opportunities

Technological progress

Creating opportunities for further customer empowerment through enhanced interactions and services

Increased customer connectivity
Iberdrola - Utility of the future

We will accelerate value creation of our businesses through five strategic pillars

Our strategic pillars

- Operational excellence
- Value creation
- Profitable growth
- Customers at the centre
- Capital optimisation
- Digitalisation and Innovation

Our businesses

- More and smarter renewable energy
- More and smarter networks
- More and smarter customer solutions
Investments 2018 – 2022

Net investments of EUR 32 Bn: building the foundations for growth in the next decade

EUR Bn

Iberdrola ex-Neoenergia

Neoenergia*
(fully integrated since Q3 ’17)

* Excluding Elektro
Over 90% allocated to regulated or long-term contracted activities

Business investments1

- Generation and Retail
  - EUR 2.8Bn
- Renewables2
  - EUR 11.5Bn
- Contracted generation
  - EUR 1.4Bn
- Networks
  - EUR 15.5Bn

Investment by currency

- USD 38%
- EUR 25%
- GBP 19%
- BRL 18%

38% of total investments in dollars

1 Excluding Corporate investments
2 Including hydro
Investments 2018 – 2022

86% of 2018-22 Plan investments already in construction/ secured

(EUR Bn)

- Networks: 15 (90% in construction/secured)
- Renewables: 12 (89% in construction/secured)
- Generation, Retail & Customer Solutions: 4 (58% in construction/secured)
- Corporate & other: 32 (4.6 Bn pending)

Projects in construction/secured:
- Baltic Eagle (Germany)
- Tamega (Portugal)
- St. Brieuc (France)
- Smart meters (UK)
- Networks (ED1 UK)

Post-2022: 1 Bn

…with EUR 4.6 Bn still available for new investment projects in the period
2018 – 2022 Plan: Main developments

86% of 2018-22 Plan investments already in construction/ secured …

**Offshore wind (Totalling circa 2 GW of capacity in operation/secured)**
- Germany: 486 MW Baltic Eagle awarded, with commissioning in 2023.

**Onshore wind**
- Brazil: 471 MW Paraiba, with commissioning in 2022.

**Solar PV**
- Spain: 391 MW Nuñez de Balboa construction announced, with commissioning in 2020.

**Networks**
- **US**: NECEC transmission project selected for interconnection between Canada and Massachusetts, with commissioning in 2022.
- **Brazil**: Tariff reviews in Bahía (+16.95%) and Rio Grande do Norte (15.61%) - May ‘18–’23.

... vs 73% in February 2018, when the Plan was presented

*AGR owns 50% of Vineyards’ Wind JV*
Investments 2018 – 2022

Renewable capacity and energy storage

Capacity:
- (GW)
  - 2017: 29.1
  - 2022: 36.2

Energy storage:
- (GWh)
  - 2017: 80
  - 2022: 100

RAV (EUR Bn)

- 2017: 29
- 2022: 40

Capital ‘in progress’ (EUR Bn)

- 2017: 4.3
- 2022: 4.1

Storage, onshore and offshore

- Mostly Brazil & US

*Including 670 MW of Belo Monte which consolidate through Equity

Iberdrola, “utility of the future”
Investments 2018 – 2022

Contracted generation capacity (GW)

- 2017: 5.8 GW
- 2022: 10.6 GW

Contracted generation capacity increased by 4.8 GW (+82%)

Services to customers (M)

- 2017: ~23 M
- 2022: 32 M

Services to customers increased by 9 M (+40%)

Capital ‘in progress’ (EUR Bn)

- 2017: 0.8 EUR Bn
- 2022: 0 EUR Bn

Offering more services to a larger number of customers

Iberdrola, “utility of the future”
Despite being a front-runner on efficiency …

2017 Performance vs European peers

<table>
<thead>
<tr>
<th>European Average</th>
<th>IBERDROLA</th>
<th>2017 Performance</th>
<th>2022 Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>~40</td>
<td>31</td>
<td>26</td>
<td>31</td>
</tr>
</tbody>
</table>

2017-2022 plan savings

Iberdrola NOE/GM evolution, %

... Iberdrola will continue to push the efficiency frontiers
2022 Results

EBITDA between EUR 11.5 and 12 Bn by 2022

Over 80% coming from regulated or long-term contracted activities

**EBITDA by business**

- Generation and Retail: 16%
- Renewables\(^1\): 27%
- Networks: 50%
- Contracted generation: 7%

**EBITDA by currency**

- EUR 11.5 – 12 Bn
  - USD: 29%
  - BRL: 16%
  - EUR: 35%
  - GBP: 20%

\(^1\)Including hydro

2022 Net Profit will reach between EUR 3.5 and 3.7 Bn under current Fx rate estimates
Capital optimisation

Enhancing our capital optimisation programme to grow and maintain a solid credit rating

- Asset rotation plan
- EUR ~3 Bn asset rotation plan execution
- Partnering Green as an option for future projects
- Continue active debt management
Financial strength

Maintaining financial strength and improving return on investments

**FFO/Net Debt**
- 2017: 21%
- 2022: 24%

**Return on Equity**
- 2017: 7.8%
- 2022: 8.5% - 9%
Shareholder remuneration

Maintaining shareholder remuneration policy

Growing in line with results (pay-out between 65% and 75%)…

…which would imply reaching EUR ~0.4/share in 2022

Maintaining the scrip dividend…

…and current number of shares at 6,240 million
## 2018 – 2022 Conclusions

Reinforcing growth at current Fx rates...

<table>
<thead>
<tr>
<th>Investments</th>
<th>Investments</th>
<th>2022 EBITDA</th>
<th>11.5 – 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 32 Bn</td>
<td>2018 – 2022</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Efficiency</th>
<th>Efficiency</th>
<th>2022 Net Profit</th>
<th>3.5 – 3.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 1 Bn</td>
<td>2018 – 2022</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Digitalisation &amp; New customer solutions</th>
<th>Digitalisation &amp; New customer solutions</th>
<th>Equity remuneration in the period</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 0.6 Bn</td>
<td>2022</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FFO in the period</th>
<th>FFO in the period</th>
<th>42</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>2022 FFO/Net Debt</th>
<th>24%</th>
</tr>
</thead>
</table>

...and maintaining financial strength

*Holding dividend: Eur 11 Bn, Dividend to minority stakeholders: Eur 1 Bn*
9M 2018 Results
Highlights of the period

**Operating Net Profit**\(^1\) grows 38%, to EUR 2,051 M, Reported Net Profit reaches EUR 2,091 M

- **EBITDA Totals EUR 6,720 M, growing 22.5%**

- **9M Net Investments of EUR 3,645 M**

- **Continued operational efficiency improvement**
  - NOE/GM down 180 b.p. (vs 9M 2017\(^2\))

- **Asset rotation plan on track: EUR ~1,200 M already executed**

**Interim Shareholder Remuneration increase of 7.1%**

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1. 2017 excludes positive one off impacts of Gamesa merger, capital gains from Neoenergia and portfolio price revision in Gas Spain.
2. Excluding positive non-operating portfolio price revision in Gas Spain in 2017.
EBITDA reaches EUR 6,720 M (+22.5%)...

EBITDA by business

- Networks: +17.8%
- Renewables: +38.1%
- Generation & Supply: +17.4%

Operating Highlights

**Networks**
- Brazil: tariff adjustment in Sao Paulo (+5.85%), tariff reviews in Bahía (16.95%) and Rio Grande do Norte (15.61%) and consolidation of Neoenergia Group.

**Renewables**
- Spain: normalisation of wind and hydro output.
- US & UK: higher output in onshore wind and new capacity.
- Germany: Wikinger offshore windfarm in operation.

**Generation and Supply**
- UK: normalisation of conditions.
- Mexico: Higher CFE tariffs.

**Fx**
- Negative evolution of BRL, USD and GBP (EUR -312M).

...driven by double digit growth in all businesses
Net Investments

Net Investments of EUR 3,645 M in the first nine months…

- Generation & Supply: 20%
- Renewables: 34%
- Networks: 43%
- Corporate & other: 3%
2018 Outlook

The acceleration in the good business performance...

- Networks
- Renewables
- Generation & Supply

Regulated TARIFF INCREASES in networks

- New CAPACITY
- Higher OUTPUT
- EFFICIENCY gains

Neoenergia CONSOLIDATION

...allows us to reaffirm 2018 EBITDA Outlook of over EUR 9.0 Bn...
2018 Outlook

...with FY2018 Reported Net Profit reaching Eur 3 Bn...

2018 Reported Net Profit Evolution by Quarters

2018 Reported Net Profit Outlook:

EUR 3 Bn

...excluding capital gains from recently announced transactions
Shareholder Remuneration

Allowing us to maintain our commitment of increasing shareholder remuneration in line with results

<table>
<thead>
<tr>
<th>2018 Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interim shareholder remuneration</strong></td>
</tr>
<tr>
<td>Payable in January 2019</td>
</tr>
<tr>
<td><strong>Supplementary shareholder remuneration</strong></td>
</tr>
<tr>
<td>To be announced in February 2019</td>
</tr>
<tr>
<td><strong>EUR 0.15/share</strong></td>
</tr>
<tr>
<td>+7.1%</td>
</tr>
<tr>
<td><strong>To be approved at AGM and payable in July 2019</strong></td>
</tr>
</tbody>
</table>
Agenda

Investment analysis and growth overview
Profitable growth: New investments

New growth investments of EUR 23.5 Bn during the period...

Cumulative Net investment vs 2017 (EUR Bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Networks RAV increase</th>
<th>Renewables New Capacity</th>
<th>Contracted Generation New Capacity</th>
<th>Retail &amp; Cust. solutions: No. of services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>EUR 0.8 Bn</td>
<td>900 MW</td>
<td>1,000 MW</td>
<td>0.6 M</td>
</tr>
<tr>
<td>2019</td>
<td>EUR 3 Bn</td>
<td>2,650 MW</td>
<td>2,800 MW</td>
<td>1.5 M</td>
</tr>
<tr>
<td>2020</td>
<td>EUR 5.3 Bn</td>
<td>4,650 MW</td>
<td>3,650 MW</td>
<td>3.8 M</td>
</tr>
<tr>
<td>2021</td>
<td>EUR 8.3 Bn</td>
<td>6,650 MW</td>
<td>4,750 MW</td>
<td>5.9 M</td>
</tr>
<tr>
<td>2022</td>
<td>EUR 11 Bn</td>
<td>7,100 MW</td>
<td>4,800 MW</td>
<td>9.0 M</td>
</tr>
</tbody>
</table>
Profitable growth: Regulated Asset Value

Net Investments of EUR 15.5 Bn.
38% increase of RAV, reaching EUR 40 Bn by 2022.

RAV* (EUR Bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>RAV (EUR Bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>29</td>
</tr>
<tr>
<td>2022</td>
<td>40</td>
</tr>
</tbody>
</table>

+38% increase

2022 RAV breakdown

- Spain: 24%
- USA: 33%
- Brazil: 22%
- UK: 21%

* Includes new transmission assets with regulated remuneration
Profitable growth: Capacity under development

Commissioning 12,000 MW* by 2022.
9,700 MW (81%) already in construction +496 MW Offshore St Brieuc COD 2023.

Cumulative new capacity in construction (MW)

Pending
Hydro
Gas Mexico
Renewables

Circa 900 MW of offshore wind recently awarded: 400 MW** in the Massachusetts RFP (COD 2021-2022) and 480 MW in the Baltic Sea auction (COD 2022-2023)

* Includes Belo Monte, that is consolidated via the equity method
** AGR 50% of the 800 MW awarded to Vineyards’ Wind JV
59.5 GW installed by 2022, with a diversified mix by technology and country
Production increases by 48%, exceeding 200 Twh in 2022

Profitable growth: Capacity Mix

Iberdrola will maintain one of the lowest emissions level in the industry (178 gCO2/KWh in 2022)
Profitable growth: Customers

Investments of EUR 1.9 Bn.
32 million services to customers by 2022, +9 million vs 2017.

Services to customers (Mill)

<table>
<thead>
<tr>
<th>Year</th>
<th>Services to Customers (Mill)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>~23</td>
</tr>
<tr>
<td>2022</td>
<td>32</td>
</tr>
</tbody>
</table>

+40% growth from 2017 to 2022.

2022 services to customer asset base

- Spain: 53%
- UK: 34%
- ROW: 13%

32 Mill
Profitable growth: New EBITDA from investments

... to achieve EUR 3,100 M of additional EBITDA by 2022.

Cumulative additional EBITDA vs 2017 (EUR M)
Outlook 2018 – 2022: Conclusions

EUR 31 Bn of investments* to achieve EUR ~ 3,500 M of additional EBITDA by 2022...

Incremental EBITDA 2022 (EUR M)

Profitable Growth

3,100

Operational excellence

~350

 Networks

+ EUR 11 Bn RAV

+1,000

Renewables

+ 7,100 MW

+1,200

Contracted Generation

+ 4,800 MW

+300

Retail & Customer solutions

+ 9 M Services

+600

~200

~50

~100

* Business Net investments only
Financial Management

Main financial guidelines for 2018-2022 period

**A** Financing growth Capex ...

**B** ... while strengthening the financial position ...

**C** ... allowing to sustain dividend policy

### Strong cash flow generation
- ~ 42 €Bn cash flow generation to finance growth

### Asset rotation: 3 €Bn
- Non-core assets
- Minority stakes
- Low EBITDA contribution assets

### New debt
- >3 €Bn

### New financing structures
- 2 €Bn
- Including Hybrid and TEI

### Partnering Green

### Solvency
- Strong solvency ratios

### Interest rate risk
- Appropriate debt structure (fixed rate >65%)

### Financial cost
- Cost of debt below 4% until 2020
- Low bank risk

### Liquidity: 8-10 €Bn
- Optimize liquidity management
- (18 months in stressed scenario)
- Stand alone sound liquidity policy for Neo

### FX risk
- Structurally: debt currencies % to FFO’s
- Yearly: though derivatives

### New Iberdrola “Retribución Flexible”
- Scrip dividend:
  - Receive new shares
  - Sell rights in stock market
- Cash dividend (new)
- Despite new cash option, in January’s 2018 scrip 88% elected to receive new shares
- Maintaining 6,240 million shares as we amortize shares from scrip.
Sources and uses of funds

During the 18-22 period we will use 50 € Bn to fuel growth, and to maintain our dividend policy through 12 € Bn remuneration, investing 32 € Bn, 9 Bn asset under construction at the end of the period that will contribute future EBITDA growth.

Sources and use of funds 2018-2022 (€ Bn)

- FFO
- New debt + other instruments
- Asset rotation
- Total sources of funds
- Equity remuneration*
- Capitalized cost
- WC and other**
- Capex
- Beyond 2022

* Holding dividend: Eur 11.0 Bn, Dividend to minority stakeholders: Eur 1 Bn; Net Hybrid Debt cost: Eur 0.2 Bn
** Translation differences: 0.4 €Bn, Working Capital 0.7 €Bn, others 0.3 € Bn
*** Asset under construction at the end of 2022 (7 € Bn at beginning 2018).
Outlook: FFO, Capex and Net Debt

Investments drive 34% higher FFO (+2.4 € Bn) while Net Debt grows 18%

Investments evolution vs. FFO (€ Bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>FFO</th>
<th>Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7.1</td>
<td>6.5</td>
</tr>
<tr>
<td>2020</td>
<td>8.6</td>
<td>6.4</td>
</tr>
<tr>
<td>2022</td>
<td>9.5</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Net Debt evolution (€ Bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>32.9</td>
</tr>
<tr>
<td>2020</td>
<td>37.7</td>
</tr>
<tr>
<td>2022</td>
<td>38.9</td>
</tr>
</tbody>
</table>

IFRS16 implementation increases net debt balance by more than 1 € Bn from 2019 onwards

Investments on average (transmission, distribution periods, offshore) take 3 to 4 years to generate cash flow

* 2017 data is Proforma with Neoenergia from January, 1st
New investment cycle will be funded maintaining financial discipline: growth in operating cash flow, new financing schemes and asset rotation …

* 2017 data is Proforma with Neoenergia from January, 1st and excluding “Plan Salidas” and considering average hydro impact

… that jointly will maintain solvency ratios at strong levels

* 2017 data is Proforma with Neoenergia from January, 1st and excluding “Plan Salidas” and considering average hydro impact
**Interest rate risk management**

Debt structured to protect P&L in the short/medium term, maintaining a current high fixed percentage to protect from rising interest rates

**Debt structure**

<table>
<thead>
<tr>
<th>Currency</th>
<th>Debt weighting*</th>
<th>% fixed current</th>
<th>% fixed estimated</th>
<th>% fixed income structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>45%</td>
<td>75%</td>
<td>65-75%</td>
<td>60%</td>
</tr>
<tr>
<td>$</td>
<td>26%</td>
<td>96%</td>
<td>80-96%</td>
<td>85%</td>
</tr>
<tr>
<td>£</td>
<td>17%</td>
<td>76%</td>
<td>55-76%</td>
<td>55%</td>
</tr>
<tr>
<td>₨</td>
<td>12%</td>
<td>6%</td>
<td>5-15%</td>
<td>17%</td>
</tr>
</tbody>
</table>

- **Duration of regulatory cycles**: on average 4-5 years
- **Average life of debt**: 6 years
- **Guarantees re-pricing of debt post regulatory changes**: to adapt to new interest rate scenario

- **Low refinancing risk in fixed debt**: as we have more than 6 € Bn in forwards

*Over net debt 2018/2022 average*
Average cost of net debt will remain low during the Plan after including NEO, below 4% until 2020 …

... larger investments in Brazil and The US during the Plan drive higher average cost of debt to 4.2% by the end of the Plan

* Includes IFRS 16 and basis
Structural FX hedge is taken by having the debt in the same currency and similar % as the funds from operations.

Minimize FFO / Net Debt ratio volatility

<table>
<thead>
<tr>
<th>Currency</th>
<th>FFO</th>
<th>2018–2022 Average</th>
<th>Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>13.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>£</td>
<td>20.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>€</td>
<td>26.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$</td>
<td>39.5%</td>
<td></td>
<td>10-16%</td>
</tr>
<tr>
<td>£</td>
<td></td>
<td>17-24%</td>
<td></td>
</tr>
<tr>
<td>€</td>
<td></td>
<td>23-29%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>31-50%</td>
<td></td>
</tr>
</tbody>
</table>
FX risk management: yearly

FX risk in the Profit & Loss account is minimized through derivatives

### Target

Maximum risk allowed: 150 €Mn per year

~5.0% of average Net Income

### Hedging Net Income FX exposure in currencies other than Euro

#### Net Income by currency

<table>
<thead>
<tr>
<th>Year</th>
<th>BRL</th>
<th>GBP</th>
<th>USD</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7%</td>
<td>21%</td>
<td>29%</td>
<td>43%</td>
</tr>
<tr>
<td>2020</td>
<td>8%</td>
<td>25%</td>
<td>26%</td>
<td>41%</td>
</tr>
<tr>
<td>2022</td>
<td>10%</td>
<td>24%</td>
<td>28%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Almost 100% of the 2018 risk position already hedged: USD, GBP and BRL
Sustainability and Green Financing
ESG strategy

ESG part of the Corporate Strategy…

Environment
- Decarbonisation plan
- Biodiversity protection
- Water
- Climate risk

Social
- Gender equality
- Work-life balance
- Health and safety
- Local engagement

Governance system
- Diversified Board Structure
- Social Dividend included in By-Laws

…aligned with the Sustainable Development Goals (SDGs)
SDGs included in our Sustainability Policy

Energy Sustainability

- Energy supply at the best possible price
- Technology with low operational and maintenance costs
- Diversified mix of generation

- Local and renewable primary energy sources
- Reliability and availability of energy supply
- High quality service
- Promotion of energy efficiency

- Sustainable use of natural resources
- Efficient production and efficient use of energy
- Emission reduction
- Biodiversity protection
- Waste and water management

Business Sustainability

- Business profit
- Corporate government, Risk management, codes of conduct and compliance
- Relationships with clients
- Leading and guiding company of the supply chain

- Universal access promotion
- Strict respect of human rights
- Improvement of the standard of living of the people in the areas where the Group develops its activity
- Qualified and committed workforce

Main Focus: SDGs 7 and 13 (Long-term incentive plan linked to them)

Direct Contribution: SDGs 6, 9, 15 and 17
Sustainability: Indices

Presence of Iberdrola in Indices and Rankings of Sustainability, Reputation and Corporate Governance

<table>
<thead>
<tr>
<th>Index/Ranking</th>
<th>Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dow Jones Sustainability World Index 2017</td>
<td>Selected in the utility sector. Iberdrola member in all editions</td>
</tr>
<tr>
<td>Sustainability Yearbook Robeco Sam 2018</td>
<td>Classified as &quot;Silver Class&quot; in the electricity sector.</td>
</tr>
<tr>
<td>FTSE4Good</td>
<td>First utility with nuclear assets to meet standards for FTSE 4Good. 8 years in a row selected</td>
</tr>
<tr>
<td>CDP Index 2017</td>
<td>A category</td>
</tr>
<tr>
<td>MERCO 2017</td>
<td>Leader among Spanish utilities: energy, gas, and water industry</td>
</tr>
<tr>
<td>Euronext Vigeo Eiris index: World 120, Eurozone 120 &amp; Europe 120</td>
<td>Iberdrola selected</td>
</tr>
<tr>
<td>Nesweek and Green Rankings 2017</td>
<td>Iberdrola fifth utility worldwide</td>
</tr>
<tr>
<td>MSCI Global Sustainability Index Series 2017</td>
<td>Iberdrola selected AAA</td>
</tr>
<tr>
<td>2017 World’s Most Ethical Company</td>
<td>Iberdrola selected. Only Spanish utility</td>
</tr>
<tr>
<td>Fortune Global 500</td>
<td>Iberdrola selected</td>
</tr>
<tr>
<td>Stoxx ESG Leaders/Eurostoxx Sustainability 40</td>
<td>Iberdrola selected</td>
</tr>
<tr>
<td>Influence Map</td>
<td>Iberdrola selected</td>
</tr>
<tr>
<td>OEKOM</td>
<td>Iberdrola Prime</td>
</tr>
<tr>
<td>Carbon Clear</td>
<td>Iberdrola first utility in the ranking</td>
</tr>
<tr>
<td>2017 ET Carbon Rankings</td>
<td>Iberdrola selected</td>
</tr>
<tr>
<td>Bloomberg Equality Index</td>
<td>Iberdrola selected</td>
</tr>
</tbody>
</table>
Iberdrola holds a strong leadership in green financing backed by the records in transactions, the process followed when closing a green transaction and the continuous disclosure.

### Background
- Largest corporate green bond issuer in 2016 and 2017

### Iberdrola Framework for green financing
- This Framework defines the **eligibility criteria**, the **use and management of proceeds** and the **reporting commitments**
- **Stringent reporting criteria**
- Framework inspired by **Green Bond Principles** (“GBPs”) published by the International Capital Markets Association (ICMA)

### Transparency
- **Second Party Opinion** at the inception of the transaction
- **Iberdrola Framework for Green Financing** in order to disclose what processes are followed during the life of green transactions
- **Annual Sustainability Report** to show ESG benefits
Green Financing: A pioneer in Socially Responsible Investments

Iberdrola is the world's largest corporate issuer of green bonds, carrying out most public transactions in a socially responsible format

- From 2014 to 2017 the amount of green transactions within the capital markets amounts to almost €7.4 billion (including Avangrid)
- In 2014, Iberdrola was the first Spanish company to close a green bond placement and in 2016 it became the first issuer of this type of company-wide bonds worldwide

- In 2017, the world’s first green loan for an energy company was signed between Iberdrola and BBVA, for an amount of €500 million
- In 2018, Iberdrola Mexico signed the first green bond in Latam for an amount of $400 million

- In 2018, Iberdrola carried out a reconfiguration of its credit lines amounting to 5.3 billion euros (2 loans for 4.4 billion have been extended and the total amount has increased by 900 million euros)
- It is the largest operation, subject to sustainability criteria, carried out in the world
Corporate Governance: Diversified Board Structure

Board independence; radical split between oversight and management
10 independents, 2 executive and 2 external

- Majority of independent directors in the Executive Committee
- 71.4% of independent directors with less than 12 years in office
- 5 different nationalities
- 5 of 14 (36%) women on board
  Every consultative committee is chaired by a woman
- Director term: 4 years
- No more than 3 listed companies in which the office of director can be discharged

No overboarding, 100% attendance and independent evaluation
Corporate Governance: Social Dividend

Iberdrola includes in article 7 of its By-Laws the social dividend…

- Advancement of business communities in which the Company participates
- Promotion of equality and justice
- Encouragement of innovation
- Generation of quality employment
- Protection of the environment and fight against climate change

…defined as the sustainable creation of value for all stakeholders affected by the activities of the Group
Agenda

9M 2018: Results Highlights
EBITDA

EBITDA reaches EUR 6,720 M (+22.5%)…

EBITDA by business

Operating Highlights

**Networks**
- Brazil: tariff adjustment in Sao Paulo (+5.85%), tariff reviews in Bahía (16.95%) and Rio Grande do Norte (15.61%) and consolidation of Neoenergia Group.

**Renewables**
- Spain: normalisation of wind and hydro output.
- US & UK: higher output in onshore wind and new capacity.
- Germany: Wikinger offshore windfarm in operation.

**Generation and Supply**
- UK: normalisation of conditions.
- Mexico: Higher CFE tariffs.

**Fx**
- Negative evolution of BRL, USD and GBP (EUR -312M).

…driven by double digit growth in all businesses
Net Investments

Net Investments of EUR 3,645 M in the first nine months…

- Generation & Supply: 20%
- Renewables: 34%
- Networks: 43%
- Corporate & other: 3%
...to reach 2,752 MW of new capacity in operation before year-end

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Offshore</td>
<td>490</td>
<td>224</td>
<td>400</td>
<td>400</td>
<td>1,514</td>
<td></td>
</tr>
<tr>
<td>Onshore</td>
<td>970</td>
<td>263</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewables</td>
<td>84</td>
<td>242</td>
<td>202</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solar PV</td>
<td>10</td>
<td>227</td>
<td>390</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hydro</td>
<td>122 + 428</td>
<td>367</td>
<td>117</td>
<td>998</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Combined cycle</td>
<td>74 + 1,789</td>
<td>1,645</td>
<td></td>
<td>1,398</td>
<td>880</td>
<td></td>
</tr>
</tbody>
</table>

Including projects in negotiation, new capacity by 2022 will reach ~12 GW, increasing installed capacity by over 20%
Net Investments: Offshore generation

Increasing our presence in the offshore business to reach 3 GW of capacity by 2023 with PPAs signed

Offshore projects and future pipeline

Projects in Operation: 545 MW
- West of Duddons Sands (195 MW)
- Wikinger (350 MW)

Work in progress: 1,700 MW
- East Anglia 1 (714 MW), COD 2019/2020
- Saint Brieuc (496 MW), COD 2023
- Baltic Eagle (486 MW), COD 2023

Future Pipeline: >3,100 MW

Europe

- WoDS 195MW
- St Brieuc 496MW
- Baltic Eagle 486MW

U.S.

- Work in progress: 800 MW*
  Vineyard Project (Massachusetts), COD 2021/2022

- Future Pipeline: ~4,600 MW
  Vineyard Site (Massachusetts): +2.2 GW*, with queue position for the connection of 1,600MW
  Kitty Hawk (North Carolina): up to 2.4 GW, with grid connection application submitted

Resulting from close to EUR 9 billion investments

*50% corresponding to AVANGRID
Net Investments: Networks

Networks’ RAV to increase by 38% until 2022 with the existing regulatory commitments

**RAV (Bn EUR)**

- **2017:** 29
- **2022:** 40

**Networks: investment driven by regulatory frameworks**

- Distribution – New York & Connecticut: up to 2019
- Distribution – Maine: up to mid-2020*
- Transmission Maine and Connecticut: FERC regulated
- NECEC transmission: from 2023
- Gas - Connecticut: up to 2020 (SCG) and up to 2021* (CNG)
- Gas – Massachusetts: up to 2020*

- Sao Paulo - Elektro: up to 2019
- Pernambuco - Celpe: up to 2021
- Bahia - Coelba: up to 2023
- Rio Grande do Norte - Cosern: up to 2023
- Transmission lines: from 2018

- Transmission RIIO T1: up to 2021
- Distribution RIIO ED1: up to 2023
- Distribution: up to 2020

*Pending approval
Operating Cash Flow

Operating Cash Flow up 12.5%

EUR M

Operating Cash Flow (FFO)

- FFO: 5,256
- Net Inv.: 3,645
- FFO - Net Inv.: 1,611

FFO = Net Profit + Minority Results + Amortiz.&Prov. – Equity Income – Net Non-Recurring Results + Fin. Prov. + Goodwill deduction + Dividends from companies accounted via equity - +/- reversion of extraordinary tax provision

Investment net of grants and ex-capitalised costs.

Exceeding investments across all businesses
Operational efficiency continues accelerating

Net Operating Expenses to Gross Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Efficiency Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M 2017</td>
<td>29.1%</td>
</tr>
<tr>
<td>9M 2018</td>
<td>27.3%</td>
</tr>
</tbody>
</table>

Efficiency ratio improves 180 basis points in 9M, from 80 in 1Q, thanks to measures taken mostly in Brazil and the US

1 Excluding positive non-operating portfolio price revision in Gas Spain in 2017.
Executing on our asset rotation plan: focusing on more profitable future-geared technologies …

*Traditional generation, UK*

*Solar thermal generation, Spain*

*Gas Storage assets and Gas Trading business, US*

*Other non core assets*

…concentrating further on clean power

**FY2018 Divestments**

until today reach

**EUR ~ 1,200 M**

Restructuring our asset portfolio
Recent regulatory facts

- Royal Decree-Law 15/2018: tax reduction measures
- Standard Variable Tariff cap methodology
- Connecticut Natural Gas rate settlement proposed
- CFE Tariff Model Methodology
- Annual Tariff adjustment in Sao Paulo
AVANGRID results (USD, US GAAP)

AVANGRID’s Adjusted Net Profit reaches USD 511 M (+3%)

Networks

• Filed rate case for Central Maine Power (CMP)
• New England Clean Energy Connect (NECEC) interconnection between Canada and Massachusetts is on track: all permits expected during 2019. Commissioning expected in 2022.

Renewables

• 970 MW of wind projects under construction scheduled to be operational during 2019
• 800 MW* Vineyard Wind offshore wind project: executed 20-year contracts and filed with Massachusetts Public Utilities Commission. Project on track - Commissioning expected in 2021/2022.

*50% corresponding to AVANGRID
Neoenergia results (Local GAAP)

Neoenergia’s Net Profit reaches BRL 1,170 M, +357%

Organic Growth

Driven by

- Execution of efficiency measures
- Positive tariff reviews in networks
- Decrease in financial costs

Renewables

- 795 MW of hydro capacity in construction for commissioning before 2020.
- 472 MW of onshore wind capacity in construction for commissioning in 2022.

Networks

- BRL 2,797 M investments in transmission projects with commissioning in 2020-22.
- New auctions announced.
2018-2022 Plan

The execution of our 2018-2022 Plan is well on track

**Organic growth**
- All businesses
- All geographies
- Efficiency gains

**Investment plan delivery**
- Investments: 86% in construction (~10 GW capacity & EUR ~14 Bn investments in networks)
- Asset rotation of EUR 1.2 Bn
- Offshore growth opportunities (2.5 GW in progress & 7.7 GW of pipeline)

**Financial strength**
- Solid financial ratios
- Active debt management: 76% at long-term fixed rates
- Leading green financing
Appendix

- Plan hypothesis and Businesses
- H1 2018: Analysis of results
- Sustainability
Plan Hypothesis and Businesses
Macro hypothesis for 2018-2022

Higher interest rates in Eurozone, USA and UK as solid growth and inflation drive monetary policies to normalize
Low rates in Brazil due to a recovery scenario and controlled inflation

<table>
<thead>
<tr>
<th>Interest rates</th>
<th>Average 2018-22</th>
<th>2020 End of year</th>
<th>2022 End of year</th>
<th>New financing average spreads</th>
</tr>
</thead>
<tbody>
<tr>
<td>3M</td>
<td>10Y¹</td>
<td>3M</td>
<td>10Y¹</td>
<td>3M</td>
</tr>
<tr>
<td>€</td>
<td>0.75%</td>
<td>1.56%</td>
<td>0.90%</td>
<td>1.78%</td>
</tr>
<tr>
<td>$</td>
<td>2.82%</td>
<td>3.26%</td>
<td>2.90%</td>
<td>3.35%</td>
</tr>
<tr>
<td>£</td>
<td>1.71%</td>
<td>2.26%</td>
<td>1.85%</td>
<td>2.30%</td>
</tr>
<tr>
<td>BRL</td>
<td>7.52%</td>
<td>-</td>
<td>7.50%</td>
<td>-</td>
</tr>
</tbody>
</table>

¹ Swap 7 years for Eur, Treasury 10 years for USD and GBP

Credit spreads stable in €, $ and £. Decreasing in BRL.
Macro hypothesis for 2018-2022

New Plan assumes depreciation of all currencies vs. EUR compared to Old Plan

Average FX rates vs. Euro

<table>
<thead>
<tr>
<th>Currency</th>
<th>Old Plan</th>
<th>New Plan</th>
<th>2018 Net Profit mostly hedged</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>1.07</td>
<td>1.21</td>
<td></td>
</tr>
<tr>
<td>£</td>
<td>0.87</td>
<td>0.89</td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>3.64</td>
<td>4.09</td>
<td></td>
</tr>
</tbody>
</table>

Old plan refers to the Revision of the Strategic Plan in February 2017 while New Plan refers to Long Term forecast January 2018 (5 years average)

* February 16th 2018
New targets for 2020 in line with February 17 Outlook despite significant variation in FX rates vs. February 17 hypothesis.

2022 new targets: EBITDA, 11.5-12 € Bn, equivalent to 12.3-12.8 € Bn at Old Plan FX rates.

Net Profit 3.5 – 3.7 € Bn, equivalent to 3.8-4.0 € Bn at Old Plan FX rates, ...

---

### Main extraordinary factors

<table>
<thead>
<tr>
<th>2020 Old Plan target, € Bn</th>
<th>FX variation impact</th>
<th>Neo consolidation</th>
<th>New accounting*</th>
<th>2020 new targets, € Bn</th>
<th>2022 new targets, € Bn</th>
<th>2022 new targets € Bn Old Plan FX rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>10</td>
<td>-0.6</td>
<td>&gt;1</td>
<td>+0.1</td>
<td>&gt;10</td>
<td>11.5 - 12</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>3.5</td>
<td>-0.25</td>
<td>-</td>
<td>-</td>
<td>~3.25</td>
<td>3.5 - 3.7</td>
</tr>
</tbody>
</table>

... allowing us to maintain the dividend committed for 2020 at the minimum of 0.37

* IFRS 16 Leases,
2017 / From Reported to Pro Forma

2017 Reported Pro Forma EBITDA and Capex include 1 year consolidation of Neoenergia

### 2017 EBITDA, Reported vs Pro Forma

<table>
<thead>
<tr>
<th></th>
<th>Reported</th>
<th>Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 EBITDA</td>
<td>7.3</td>
<td>7.9</td>
</tr>
<tr>
<td>+0.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Additional 8 months of NEO consolidation**
**Average Hydro + early retirement**

### 2017 Capex, Reported vs Pro Forma

<table>
<thead>
<tr>
<th></th>
<th>Reported</th>
<th>Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Capex</td>
<td>5.9</td>
<td>6.5</td>
</tr>
<tr>
<td>+0.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Additional 8 months of NEO consolidation**

### 2017 base EBITDA for the 2018-22 Outlook will be Eur 8.3 Bn.
2017 base Net Profit for the 2018-22 Outlook will be Eur 2.8 Bn, as EBITDA effects are compensated by Non Recurring impacts*

*Gamesa capital gain and other

**+1 € Bn EBITDA**

**+0.6 € Bn Capex**
Main impact of new accounting standard for leases

Main impact of new accounting standards is an increase in Net Debt >1 €Bn that reduces FFO/Net Debt by ~0.5 p.p.*

New IFRS 16 standard

- From 2019 new IFRS 16 accounting standard will come into place
- Main differences with respect to previous standards are:
  - Leases considered as debt
  - Leases removed from External Services (EBITDA) to increase depreciation & financial costs

IFRS 16 impacts 2019 onwards

<table>
<thead>
<tr>
<th></th>
<th>Balance Sheet</th>
<th>P&amp;L</th>
<th>Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Debt</td>
<td>&gt;1 € Bn</td>
<td>EBITDA: &gt;100 € Mn</td>
<td>FFO: &gt;100 € Mn</td>
</tr>
<tr>
<td>0.8 – 1.0 € Bn</td>
<td>Rating Agencies include in debt calculation</td>
<td>Net Profit: ~ 0</td>
<td>RCF: &gt;100 € Mn</td>
</tr>
</tbody>
</table>

Net Debt / EBITDA: ～ + 0.1

FFO / Net Debt: ～ - 0.5 p.p.

RCF / Net Debt: ～ - 0.5 p.p.

* Final impact to be determined during 2018
Financing Policy

Financial needs have a comfortable maturity profile over the period

Coverage allocation (€ Bn)

- Moderate financial needs thanks to a **comfortable debt** maturity profile and strong funds generation
- **Main source of financing** will be **Holding** (55%) but **USA and Brazil** will access financing markets too (17% and 28% respectively)
- Aim to maintain **average debt life of 6 years** (excluding Neo, which has an average life < 3 years)
- **Neoenergía has a higher turnaround** in needs as average debt life is shorter (<3 years)

Will be financed mainly from the Holding (55%)
Networks
Long term regulatory frameworks and reasonable rates of return in all jurisdictions are the foundations of a balanced investment mix in T&D across countries.

### Visibility of Revenues (1/2)

- **Spain**: Distribution - 1st Regulatory Period. Cap on annual change in 2nd reg. period: 36 bps. ~4.7%
- **UK**: Distribution - RIIO – ED1. ~5.6%
- **USA**: Distribution - NY CT ME - Stay out. Stay Out Option. ~5.8% ~6.0% ~6.1%

~EUR 40Bn investments required in T&D to achieve national decarbonisation goals for 2030.

~GBP 3.2Bn TOTEX 54% efficiency incentive for savings.

Several bands of efficiency incentive for savings 50% Efficiency incentive for savings 100% Efficiency incentive for savings.

(1) Nominal WACC post-tax has been calculated based on each country’s specific remuneration framework. ESP: 6.5% Nominal WACC pre-tax; UK: 6% Real COE post-tax; USA-NY 9% USA-CT 9.15% USA-ME 9.45% Nominal ROE post-tax.
Visibility of Revenues (2/2)

Long term regulatory frameworks and reasonable rates of return in all jurisdictions are the foundations of a balanced investment mix in T&D across countries.

**Actual Regulatory WACC** (Nominal, post-tax)

<table>
<thead>
<tr>
<th>Year</th>
<th>Brazil</th>
<th>Transmission</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Coelba 4º RTP</td>
<td>UK RIIO – T1</td>
</tr>
<tr>
<td>2018</td>
<td>Cosern 4º RTP</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>Celpe 4º RTP</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>Elektro 4º RTP</td>
<td>USA Annual adjustment</td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Nominal WACC post-tax has been calculated based on each country’s specific remuneration framework. BRA: 8.09% Real WACC post-tax; Transmission UK: 7% Real COE post-tax; Transmission USA: 10.57% Nominal ROE post-tax.

100% Efficiency incentive for savings

~GBP 2.5Bn TOTEX 50% efficiency incentive for savings

~GBP 2.5Bn TOTEX
Profitable Growth: CAPEX and EBITDA

EUR 15.5 Bn of CAPEX during the period, providing EUR 11 Bn RAV growth and EUR 1,000 M additional EBITDA by 2022

Net Capex (EUR Bn)
* Includes only 4m of Neo

<table>
<thead>
<tr>
<th>Year</th>
<th>Transmission Digital</th>
<th>Traditional T&amp;D</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.1 (*)</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>3.2</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td>3.4</td>
<td>0.7</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td>1.6</td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td>1.6</td>
</tr>
</tbody>
</table>

RAV (EUR Bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>CAPEX</th>
<th>EBITDA Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>29 Bn</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>34 Bn</td>
<td>+0.6</td>
</tr>
<tr>
<td>2022</td>
<td>40 Bn</td>
<td>+1.0</td>
</tr>
</tbody>
</table>

ΔEBITDA Growth (EUR Bn)

2018-2022

0% 12% 22% 24% 33% 37% 14% 21%
Conclusions

Geographically diversified business with regulated revenues in all areas and strong cash flow generation

- **20% increase in quality of supply** from a best-in-class networks business in all areas
- Net investments of EUR 15.5 Bn drive an increase in RAV of EUR 11 Bn, **with a related EBITDA growth of EUR ~1,000 M**
- EUR ~700 M of accumulated efficiency gains, providing EUR ~200 M EBITDA in 2022

And further opportunities for growth through the Energy Transition
Transmission projects in or close to our Service Areas
4 lots awarded in Apr-17 + 2 lots in Dec-17

Annex
Renewables
Profitable growth

Growth key drivers

- Mature technologies
- Offshore business
- New geographies
- Storage
Profitable growth

Mature renewable technologies: consolidating leadership in core areas with attractive returns

Strategy focus on auction processes with acceptable levels of return...

Brazil
295 MW awarded in December 2017 in Leilão A-6 at the highest price.

...and taking advantage of Iberdrola’s capabilities to achieve attractive IRRs when auction prices do not provide reasonable returns

Spain Mexico Portugal
844 MW of wind and solar PV and 1,158 MW of hydro & storage being constructed under internal schemes.
Profitable growth

Wind Offshore: selective growth

- 3 key hubs in quality areas
  
  Project pipeline by hubs
  
  Baltic Sea: 900 MW
  North Sea: 2,800 MW
  US East Coast: 4,000 MW

... consolidating as core business
Profitable growth

... increasing capacity by 24% to reach a total of 36.2 GW by 2022

2018-2022 Plan Capacity installed (GW) by geography

- USA: 29%
- Iberia: 23%
- Mexico (Mex): 17%
- Bra: 16%
- RoW: 4%
- UK: 11%

2018-2022 Plan Capacity installed (GW) by technology

- Wind: 43%
- Offshore: 32%
- PV: 20%
- Hydro: 27%

*Includes Belo Monte, that is consolidated via the equity method
Profitable growth

... investing EUR 11.5 Bn during the period, 90% allocated to growth

2018-2022 Investments (EUR Bn) by geography

- USA: 31%
- UK: 20%
- RoW: 20%
- Iberia: 16%
- Mex: 9%
- Bra: 4%

EUR11.5Bn*

2018-2022 Investments (EUR Bn) by technology

- Onshore Wind: 44%
- Offshore: 32%
- Hydro Storage: 14%
- PV: 10%

EUR11.5Bn*

* EUR 10.2 Bn growth investment
Operational excellence

Capex optimization

Gross margin improvement

Energy loss

O&M cost reduction

EUR 200 M* of accumulated efficiency gains through digitalization and O&M best practices

*~EUR 50 M in 2022
Capital Optimisation – Partnering Green

+ Experience in partnering today

<table>
<thead>
<tr>
<th>Country</th>
<th>Capacity (MW)</th>
<th>% partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>1,800</td>
<td>5% – 50%</td>
</tr>
<tr>
<td>US</td>
<td>800</td>
<td>50%</td>
</tr>
<tr>
<td>UK</td>
<td>400</td>
<td>50%</td>
</tr>
<tr>
<td>ROW</td>
<td>700</td>
<td>25% - 50%</td>
</tr>
</tbody>
</table>

+ Strong and diversified pipeline

Spain  2 GW
US     12 GW
UK     4 GW
ROW    7 GW

~25 GW

Partnering in selected projects increases competitiveness through access to lower cost of capital
Conclusions

- Leading core markets and continue developing storage capacity
- Leveraging on internal capabilities to achieve attractive returns
- Developing offshore business centered in 3 high quality hubs

Growth investments of EUR 10.2 Bn to install 7.1 GW* and 20 GWh storage, generating an additional EBITDA of EUR 1.2 Bn by 2022

EUR 50 M of efficiencies contribution in 2022

Reaching a total EBITDA of EUR 3.1 – 3.3 Bn at the end of the period

* Includes Belo Monte, that is consolidated via the equity method
Generation & Retail
Generation & Retail (average 2018 – 2022)

Strong retail position allows optimisation of the generation portfolio with energy procurement

85% - 95% of the production closed before the start of each year
Energy markets: Outlook 2022

Electricity demand growth, CAGR 2017-22

- Spain: 0.9%
- UK: -0.2%
- Mexico: 2.6%
- Brazil: 3.7%

Commodity prices

- Oil, $/bbl: 54 (2017), 56 (2022)
- Coal, $/t: 85 (2017), 76 (2022)
- CO₂, €/t: 6 (2017), 10 (2022)

Power prices (average)

- Spain, €/MWh: 52 (2017), 50 (2022)
- UK, £/MWh: 45 (2017), 46 (2022)

Prices derived from market quotations and estimates of commodities from analysts (PIRA, WoodMac, Aurora, CERA-IHS)
Profitable growth: Net Business Growth Investment

EUR 4.2 Bn Net Investment, 75% (EUR 3.1 Bn) in growth allocated to Mexico and Retail

Net Growth Investment (2018 - 2022)

Services to Customers
- Sustained growth in core markets
- European expansion

Generation
- CCGT Escobedo (IPP 878 MW - 2018)
- CCGT El Carmen (PPA 866 MW - 2019)
- CCGT Topolobampo II (IPP 911 MW – 2019)
- CCGT Topolobampo III (IPP 779 MW – 2020)
- New capacity & repowering (1.3 GW)

Retail

Gas Mexico
- 5 M smart meters (voluntary ownership)

Roll out in UK

Smart Meters
Generation: Profitable Growth

Net investment in growth of EUR 1.2 Bn in contracted generation to provide an incremental EBITDA of EUR 300 M by 2022

Installed Capacity 2022

- Brazil: 0.5 GW
- Spain: 9.2 GW
- Mexico: 10.6 GW
- UK: 2.0 GW

Incremental EBITDA from growth investment (EUR M)

- 2018: 20 EUR M
- 2019: 100 EUR M
- 2020: 200 EUR M
- 2021: 250 EUR M
- 2022: 300 EUR M
Generation: Profitable Growth in Mexico

4.8 GW of new capacity during the period, reaching 10.6 GW by 2022

+845 MW vs. former plan by 2020

Installed capacity (GW)

Long term contracts

Production allocation

Portfolio of 4 GW under development
Generation: Cost efficiency and digital

EUR 50 M cumulative efficiency gains 2018 – 2022 through further operational efficiencies and overall fleet performance enhancement

CCGT optimisation
- 2% efficiency increase
- 35% turndown reduction
- 60% start up time reduction

Asset life cycle management, predictive analysis and machine learning based on data analytics
- 14 GW of CCGT’s and CHP in Spain, Mexico, UK and Brazil

100% digital & automated fleet (Nuclear, CCGT and CHP)
Retail & Smart Solutions: Positioning

Profitable growth based on strong emphasis on smart solutions while expanding existing successful retail model

**Profitable Growth**

+9 M services to customers by 2022:
- Expansion based on successful retail model
- Sustained growth in core geographies

**Cost Efficiency, Knowledge & Capabilities**

Cost to serve (-9%) and acquisition cost (-6%) reductions:
- Digital channels
- Data analytics

**Smart Solutions**

Customer centered product portfolio:
- Smart Energy Services
- Smart Home
- Smart Mobility
- Smart Solar

**Digital and Innovation**

Integrated management of customer needs and lifestyle changes while maximising the value for Iberdrola
32 M services to customers by 2022, with incremental EBITDA of EUR 600 M
Retail & Smart Solutions: Profitable Growth

Additional 9 M services to customers in Europe leveraging Iberdrola’s retail platform for growth

Effective and efficient retail platform

- Unique and effective retail model:
  - Lowest cost to serve in Spain and the UK
  - High penetration of smart solutions (~60% in Spain)

- Replicable in new countries and markets
  - Italy market entry example:
    <EUR 1 M Capex
    <6 months roll-out

Replicable to accelerate entry into new geographies

No. of services to customers (M)

Sustained growth in core markets

European expansion

Smart solutions in Mexico and Brazil
Retail & Smart Solutions: Cost Efficiency, Knowledge & Capabilities

Leadership in costs and efficiency in all countries

**Cost to Serve**

<table>
<thead>
<tr>
<th>Country</th>
<th>Competitors</th>
<th>Iberdrola</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>-60%</td>
<td>-60%</td>
</tr>
<tr>
<td>UK</td>
<td>-27%</td>
<td>-27%</td>
</tr>
</tbody>
</table>

**Initiatives to date**

- Development of digital channels and products (e.g., Time of Use tariffs, Power-Up, Energy Wallet)
- Digitalization of back office processes
- Widespread use of data analytics

* Estimation based on UK segmental accounts
Going forward, digitalization of processes and sales will contribute with additional EUR 250 M of cumulative efficiencies 2018 – 2022

### 2018 - 2022 Plan

Further development of digital initiatives:
- e-Billing
- New digital products

Digital customer service and optimization of customer journeys

... leveraging on smart meters and data analytics

Roll-out of best practices across geographies
Retail & Generation: Closing remarks

Total EBITDA of EUR 2.6 - 2.7 Bn by 2022

EUR 4.2 Bn Net Investments to achieve incremental EBITDA of EUR 1.0 Bn by 2022

- +EUR 0.3 Bn in contracted generation: high return with long term contracts
- +EUR 0.6 Bn in Retail & Smart Solutions: core geographies, expansion into Europe and Smart Solutions
  - +EUR 0.1 Bn in efficiencies

Customer at the centre, achieving 32 M services by 2022

- 14 M customer smart solutions
- Connectivity and focus on simplicity: digitalization, data analytics, omnichannels and customer empowerment through personalized products and services
- Integrated management of customer needs and committed to society
9M 2018: Analysis of results
## Income Statement / Group

### Strong operating results: EBITDA growth accelerates (+22.5%) vs First Half’18 (+17.1%)

<table>
<thead>
<tr>
<th>EUR M</th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>Var.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>21,955.9</td>
<td>26,282.6</td>
<td>+4,326.8</td>
<td>+19.7</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>9,740.6</td>
<td>11,336.1</td>
<td>+1,595.6</td>
<td>+16.4</td>
</tr>
<tr>
<td>Net Operating Expenses</td>
<td>-2,793.8</td>
<td>-3,092.1</td>
<td>-298.3</td>
<td>+10.7</td>
</tr>
<tr>
<td>Levies</td>
<td>-1,460.4</td>
<td>-1,524.4</td>
<td>-64.0</td>
<td>+4.4</td>
</tr>
<tr>
<td>EBITDA</td>
<td>5,486.4</td>
<td>6,719.7</td>
<td>+1,233.3</td>
<td>+22.5</td>
</tr>
<tr>
<td>EBIT</td>
<td>3,001.3</td>
<td>3,836.4</td>
<td>+835.0</td>
<td>+27.8</td>
</tr>
<tr>
<td>Net Financial Expenses</td>
<td>-639.2</td>
<td>-863.6</td>
<td>-224.4</td>
<td>+35.1</td>
</tr>
<tr>
<td>Non Recurring Results</td>
<td>+759.3</td>
<td>+22.6</td>
<td>-736.7</td>
<td>-97.0</td>
</tr>
<tr>
<td>Taxes and Minorities</td>
<td>-675.9</td>
<td>-904.8</td>
<td>-228.9</td>
<td>+33.9</td>
</tr>
<tr>
<td>Reported Net Profit</td>
<td>2,416.6</td>
<td>2,090.9</td>
<td>-325.6</td>
<td>-13.5</td>
</tr>
<tr>
<td>Operating Net Profit*</td>
<td>1,481.3</td>
<td>2,051.3</td>
<td>+570.0</td>
<td>+38.5</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>4,672.2</td>
<td>5,255.6</td>
<td>+583.4</td>
<td>+12.5</td>
</tr>
</tbody>
</table>

### Operating Cash Flow is up +12.5%, from 5.6% in First Half 2018

*2017 excludes positive one off impacts of Gamesa merger, Brazil corporate reorganisation capital gain and portfolio price revision in Spain
Gross Margin / Group

Gross Margin up 16.4%, to EUR 11,336.1 M,…

… with NEO consolidation more than offsetting fx impact.
Excluding both impacts Gross Margin up 9.7%
Net Operating Expenses / Group

Net Operating Expenses up 10.7% (EUR -298.3 M), to EUR 3,092.1 M, driven by NEO consolidation, partially compensated by fx

<table>
<thead>
<tr>
<th>EUR M</th>
<th>Net Operating Expenses</th>
<th>9M'17</th>
<th>9M'18</th>
<th>vs 9M'17 (%)</th>
<th>vs 9M'17 (%) (ex NEO and fx)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Personnel Expenses</td>
<td>-1,431.5</td>
<td>-1,534.3</td>
<td></td>
<td>+7.2%</td>
<td>+0.5%</td>
</tr>
<tr>
<td>Net External Services</td>
<td>-1,362.3</td>
<td>-1,557.8</td>
<td></td>
<td>+14.4%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Total Net Op. Expenses</td>
<td>-2,793.8</td>
<td>-3,092.1</td>
<td></td>
<td>+10.7%</td>
<td>+0%</td>
</tr>
</tbody>
</table>

Excluding the above mentioned impacts, Net Operating Expenses flat
Levies up 4.4%, to EUR 1,524.4 M, as a consequence of Spanish generation taxes, due to the higher output and based on high pool prices, while our revenues are based on lower forward prices.

Tax Authorities also benefit from high CO2 prices.
Results by Business / Networks

Networks EBITDA up 17.8%, to EUR 3,642.3 M, ...

... with growth in all geographies*, despite the negative impact of storm costs in US

* Excluding fx impact

EBITDA by Geography (%)

Key Figures (EUR M)

<table>
<thead>
<tr>
<th></th>
<th>9M'17</th>
<th>9M'18</th>
<th>vs 9M'17 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin</td>
<td>4,857.8</td>
<td>5,705.0</td>
<td>+847.2 (+17.4%)</td>
</tr>
<tr>
<td>Net Op. Exp.</td>
<td>-1,246.2</td>
<td>-1,567.6</td>
<td>-321.4 (+25.8%)</td>
</tr>
<tr>
<td>Levies</td>
<td>-519.6</td>
<td>-495.1</td>
<td>+24.5 (-4.7%)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,092.1</td>
<td>3,642.3</td>
<td>+550.2 (+17.8%)</td>
</tr>
</tbody>
</table>
# Results by Business / Networks

<table>
<thead>
<tr>
<th>Country</th>
<th>EBITDA</th>
<th>Change</th>
<th>% Change</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>EUR 1,313.1 M (EUR +128.7 M; +10.9%)</td>
<td>due to positive settlements of previous years and the impact of 2017 positive court ruling on ICAs*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US</td>
<td>USD 1,156.7 M (USD +29.1 M; +2.6%)</td>
<td>driven by:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Higher contribution from rate plans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Positive IFRS impact</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Storm costs negative effect</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Tariff adjustments corresponding to the tax reform (in effect under IFRS from Q3’18)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>BRL 2,976.5 M (BRL +2,077.7 M; n/a)</td>
<td>driven by NEO consolidation (BRL 2,012.8 M), that includes tariff revision in COELBA (+16.95%) and COSERN (+15.61%) from May 2018, higher demand (+2.5%) and efficiencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>GBP 591.1 M (GBP +23.9 M; +4.2%)</td>
<td>with higher revenues both in transmission and distribution</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Instalaciones Cedidas de Abonados / Assets given by customers (Eur 53 M one-off impact corresponds to 2016 settlement)
Results by Business / Renewables

Renewables EBITDA up 38.1%, to EUR 1,756.7 M, accelerating from 25.5% in First Half 2018, ...

EBITDA by Geography (%)

- Spain: 40%
- United States: 25%
- Brazil: 6%
- Mexico: 9%
- United Kingdom: 17%
- Rest: 2%

... driven by growing results in all markets. With output up 22%, to 46,874 GWh, and installed capacity reaching 29,592 MW (+3%)

Key Figures (EUR M)

<table>
<thead>
<tr>
<th></th>
<th>9M'17</th>
<th>9M'18</th>
<th>vs 9M'17 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin</td>
<td>2,066.2</td>
<td>2,679.8</td>
<td>+613.6 (+29.7%)</td>
</tr>
<tr>
<td>Net Op. Exp.</td>
<td>-506.0</td>
<td>-545.2</td>
<td>-39.2 (+7.7%)</td>
</tr>
<tr>
<td>Levies</td>
<td>-288.2</td>
<td>-377.9</td>
<td>-89.7 (+31.1%)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,272.1</td>
<td>1,756.7</td>
<td>+484.6 (+38.1%)</td>
</tr>
</tbody>
</table>
### Results by Business / Renewables

<table>
<thead>
<tr>
<th>Region</th>
<th>EBITDA Currency (Currency + Change; % Change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>EBITDA EUR 701.7 M (EUR +223.6 M; +46.8%), driven by higher output (+34.2%)</td>
</tr>
<tr>
<td>US</td>
<td>EBITDA USD 528.9 M (USD +72.1 M; +15.8%), with higher production (+12.7%)</td>
</tr>
<tr>
<td>UK</td>
<td>EBITDA GBP 266.7 M (GBP +41.9 M; +18.7%), higher load factor (+0.6 p.p.) and higher average operating capacity (+8.1%) in onshore, together with better prices and higher ROCs</td>
</tr>
<tr>
<td>Brazil</td>
<td>EBITDA BRL 481.7 M (BRL +380.3 M; n/a)</td>
</tr>
<tr>
<td>Mexico</td>
<td>EBITDA USD 44.5 M (USD +11 M; 32.9%), as a consequence of higher output (+30.7%), due to higher load factor (7.8 p.p.)</td>
</tr>
<tr>
<td>RoW</td>
<td>EBITDA EUR 161.6 M (EUR +90.8 M; n/a) due to the gradual entry into service of Wikinger during H1’18, now fully operational (350 MW)</td>
</tr>
</tbody>
</table>
Results by Business / Generation and Supply

Generation & Supply EBITDA up 17.4% to EUR 1,325.5 M, accelerating from +1.7% in H1’18…

- **Spain**: 50% (50% of EBITDA)
- **Mexico**: 32% (32% of EBITDA)
- **United Kingdom**: 14% (14% of EBITDA)
- **Brazil**: 4% (4% of EBITDA)

**Key Figures (EUR M)**

<table>
<thead>
<tr>
<th></th>
<th>9M’17</th>
<th>9M’18</th>
<th>vs 9M’17 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin</td>
<td>2,777.8</td>
<td>2,936.3</td>
<td>+158.5 (+5.7%)</td>
</tr>
<tr>
<td>Net Op. Exp.</td>
<td>-1,017.7</td>
<td>-970.4</td>
<td>+47.3 (-4.7%)</td>
</tr>
<tr>
<td>Levies</td>
<td>-630.6</td>
<td>-640.5</td>
<td>-9.9 (+1.6%)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,129.4</td>
<td>1,325.5</td>
<td>+196.0 (+17.4%)</td>
</tr>
</tbody>
</table>

... driven by the better performance in UK and Mexico
## Results by Business / Generation and Supply

<table>
<thead>
<tr>
<th>Country</th>
<th>EBITDA</th>
<th>Change</th>
<th>Details</th>
</tr>
</thead>
</table>
| Spain   | EUR 668.6 M (EUR -10.8 M; -1.6%) | | • Output* decreases -0.5%, with gas production compensating lower nuclear and coal  
• Lower margins due to higher procurement costs  
• Lower Gas results impacted by the final positive one off price revision of the gas portfolio accounted for in 2017  
• Higher Retail activity and customer acquisition costs in D&A (IFRS 15)  
• Levies up affected by higher generation taxes |
| UK      | GBP 169.9 M (GBP +136.6 M; n/a) | | • Margin recovery, smart metering and capacity payments  
• Normalisation in operating costs  
• Customer acquisition costs now accounted for in D&A (IFRS 15) |
| Mexico  | USD 490.2 M (USD +44.9 M; +10.1%): driven by the expected regularisation of the tariff methodology during the year and the new installed capacity (+109 MW from Altamira and Bajío cogenerations) |
| Brazil  | BRL 234.6 M (BRL +185.8 M; n/a) |

* Includes cogeneration
Group EBIT up 27.8%, to EUR 3,836.4 M

D&A and Provisions increase 16.0%, primarily due to Brazil consolidation, higher activity and IFRS15.
Net Financial Expenses / Group

**Net Financial Expenses** up EUR 224.4 M, to EUR 863.6 M …

… driven by NEO integration, higher non-debt results and IFRS9 (EUR -19 M)
## Net Debt / Group

### Credit metrics improve

<table>
<thead>
<tr>
<th>Pro forma adjusted credit metrics**</th>
<th>9M’17</th>
<th>9M’18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Debt / EBITDA</td>
<td>4.1x</td>
<td>3.9x</td>
</tr>
<tr>
<td>FFO / Net Debt</td>
<td>19.9%</td>
<td>21.0%</td>
</tr>
<tr>
<td>RCF / Net Debt</td>
<td>17.2%</td>
<td>19.5%</td>
</tr>
<tr>
<td>Leverage</td>
<td>44.2%</td>
<td>44.5%</td>
</tr>
</tbody>
</table>

### Net Debt* (EUR M)

<table>
<thead>
<tr>
<th></th>
<th>Sep-2017</th>
<th>Sep-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Debt</td>
<td>33,698</td>
<td>34,379</td>
</tr>
</tbody>
</table>

Divestments of EUR 1.2 bn (circa EUR 1 bn recently announced) will reduced Net Debt figure by year end, thus achieving the target ratios for 2018.

* Adjusted by market value of treasury stock cumulative hedges (EUR 422.0 M at 30/09/2018 and EUR 335.0 M at 30/09/2017)

** Adjusted: excluding provisions for efficiency plans
Net Debt / Group

Average Debt Maturity: 6 years

Debt Maturity Profile (EUR M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (EUR M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1,783</td>
</tr>
<tr>
<td>2019</td>
<td>3,804</td>
</tr>
<tr>
<td>2020</td>
<td>3,944</td>
</tr>
<tr>
<td>2021</td>
<td>4,266</td>
</tr>
<tr>
<td>2022</td>
<td>4,102</td>
</tr>
<tr>
<td>2023+</td>
<td>19,164</td>
</tr>
</tbody>
</table>

Fixed vs variable Cost (%)*

- Fixed: 76%
- Variable: 24%

* Considering Net Debt including forward swaps

76% of the Debt is at fixed cost, well prepared for a scenario of interest rates increase
Excluding the 2017 impacts of the Gamesa merger (EUR 255 M), Brazil corporate reorganisation capital gain (EUR 520 M) and portfolio price revision in Spain (EUR 106 M), **Operating Net Profit** up 38.5%, to EUR 2,051.3 M,…

<table>
<thead>
<tr>
<th>EUR M</th>
<th>9M’17</th>
<th>9M’18</th>
<th>vs 9M’17 (%)</th>
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</thead>
<tbody>
<tr>
<td>Operating Net Profit</td>
<td>1,481.3</td>
<td>2,051.3</td>
<td>+38.5%</td>
</tr>
<tr>
<td>Non Recurring Results</td>
<td>+759.3</td>
<td>+22.6</td>
<td>-97.0</td>
</tr>
<tr>
<td>Other non recurring: Taxes and Minorities</td>
<td>+176.0</td>
<td>+17.0</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Reported Net Profit</strong></td>
<td>2,416.6</td>
<td>2,090.9</td>
<td>-13.5%</td>
</tr>
</tbody>
</table>

… and **Reported Net Profit** reaches EUR 2,090.9 M
“Iberdrola Retribución Flexible” program: January 2019

- Board Agreement for the execution of the capital increase and interim dividend payment
  - Relevant fact

23 October

- Chairman and CEO make the calculation for the execution of the capital increase and sets interim dividend (before 12:00 hours)
  - Relevant fact filed
  - Publication of the number of rights/share and interim DPS

4 January

- Closing prices considered for determining the average price used to calculate number of rights and interim dividend amount

27, 28 & 31 December and 2 & 3 January

- Last day to buy IBE shares and participate in scrip and/or receive the dividend in cash
  - Announcement of capital increase in BORME

8 January

- Commencement of the trading of the newly issued shares

23 January

- Last day of rights trading period and of the common election period

5 February

- Delivery of shares
  - Payment of interim dividend

6 February

- Chairman and CEO: close of scrip issue
  - Relevant fact

- Relevant fact filed

23 October - 4 January - 9 January - 30 January - 23 January - 5 February - 6 February

Trading period

Closing prices considered for determining the average price used to calculate number of rights and interim dividend amount

- Last day to buy IBE shares and participate in scrip and/or receive the dividend in cash
  - Announcement of capital increase in BORME

27, 28 & 31 December and 2 & 3 January

8 January

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5 February

- Delivery of shares
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6 February

- Chairman and CEO: close of scrip issue
  - Relevant fact

23 October - 4 January - 9 January - 30 January - 23 January - 5 February - 6 February

Trading period
Sustainability
Sustainability Policy: Competitiveness

**Competitiveness**

- Energy supply at the best possible price
- Technology with low operational and maintenance costs
- Diversified mix of generation

**Prices: 75% regulated**

**Net operating expenses remain flat maintaining efficiency**

Iberdrola group's installed capacity (MW)

The installed capacity has totalled 48,447 MW.

- **29%** Gas Combined Cycle
- **60%** Renewables
- **7%** Nuclear
- **3%** Cogeneration
- **2%** Coal

*Renewables includes Wind onshore, Wind offshore, Hydroelectric, Mini Hydraulic, Fotovoltaic and Termosolar.*
Sustainability Policy: Security in energy supply

Security in energy supply

- Local and renewable primary energy sources
- Reliability and availability of energy supply
- High quality service
- Promotion of energy efficiency

90% local Global resources production

99.99% Reliability

Quality indicators of networks service better than regulatory requirements

90.5 % Global Availability factor

Iberdrola, worldwide leader in wind energy

Global Availability factor:
- 2007: 90%
- 2017: 90.5%

90.5% Local and renewable primary energy sources production

7,098 MW

16,077 MW

2007

2017
### Sustainability Policy: Environment

**Environment**

- Sustainable use of natural resources
- Efficient production and efficient use of energy
- Emission reduction
- Biodiversity protection
- Waste and water management
- Worldwide leader in Wind energy

<table>
<thead>
<tr>
<th>Environment Indicators</th>
</tr>
</thead>
</table>
| **67%**  
2017 Free air emission capacity |
| **63 million tons CO2 avoided**  
with efficiency savings - last 3 years |
| **80%** production under ISO14001  
Environmental management system |
| **32% lower emissions**  
than European average |
| **+2,200 M €**  
Environmental Investments |
| **No presence**  
In areas affected by water-stress |
| **Best in Class**  
Environment footprint LCA |
| **Emissions reduction target of 50% in 2030** |
| **CARBON NEUTRAL in 2050** |
### Sustainability Policy: Creation of value

**Creation of value**

- Business profit
- Corporate government, Risk management, codes of conduct and compliance
- Relationships with clients
- Leading and guiding company of the supply chain

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<thead>
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Sustainability Policy: Social

**Social Dimension**

- Universal access promotion
- Strict respect of human rights
- Improvement of the standard of living of the people in the areas where the Group develops its activity
- Qualified and committed workforce

**0.36 Injury Rate (IR)**
- 0 fatalities

**Continuous increase of female presence in significant positions**

**3.9 million new beneficiaries**
- Energy Access

**99% Permanent contracts**
- 34,000 employees
- ~1 mill. Hours of training

**88% Local suppliers**

**Volunteers:**
- 6th Edition of INVOLVE Refugee Camps
- + 8,000 volunteering opportunities

**246 M€ R&D**

**Iberdrola Foundation**
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