

# Iberdrola places 750 million in 10-year green bonds with strong investor support

- *The electricity company issues debt with a demand of more than €4 billion before presenting its half-yearly results on 24 July*
- *The amount demanded has multiplied by more than 5 times the amount placed, which has allowed the coupon to reach 3.625%*

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Iberdrola has once again succeeded in the capital markets with a 10-year green debt issue for €750 million and a coupon of 3.625%, with the lowest premium for a green bond among those issued this year. Europe's leading electricity company in terms of capitalisation has achieved this after receiving an initial demand of more than €4 billion from over 220 investors, which has allowed it to set the credit spread over the corresponding benchmark – the midswap in euros at that term – at 83 basis points.

This is the third public operation so far this year, following the [€700 million](#) hybrid bond (subordinated debt) issued at the beginning of the year and the most recent one issued a few weeks ago in the Swiss market for [CHF 335 million](#). The company will present its first half-year results on 24 July with most of the financing plan for the year already satisfactorily executed.

The company has taken advantage of the good international context, with a stable market environment, following the knowledge of the election results in France – an event that had generated some volatility in the markets during the past weeks.

This issue has attracted the attention of investors and has obtained strong demand. It exceeded €4 billion, which enabled a final credit spread of 83 basis points over the corresponding benchmark (ten-year midswap) to be obtained, a very narrow level, which allowed a coupon of 3.625% to be fixed. More than 220 investors participated in the issue, with the placement distributed in France (36%), Germany (16%), the United Kingdom (17%), Benelux (15%) and other European countries (16%).

Green bonds tend to generate higher demand and lower cost, as socially responsible investors add to the interest of mainstream investors. A big part of the operation – 85% – was placed with ESG investors, so Iberdrola continues to diversify its investor base and broaden demand, which improves the execution of these transactions in difficult market times.

The funds raised will be allocated to Green Eligible Assets, as defined in Iberdrola's Green Financing Framework.

Nine banks participated in the placement: BBVA, Bank of America, HSBC, Kutxabank Investment Norbolsa, Mizuho, Natixis, Standard Chartered, Unicredit and Wells Fargo.

This operation allows the group to shore up its liquidity, in anticipation of a potential increase in market volatility after the summer.

This transaction allows it to strengthen its already comfortable liquidity position, at excellent conditions and at a good time in the market, while offering investors the possibility of participating in a senior Iberdrola transaction in the first part of the year.

### International confidence

Investor confidence in Iberdrola is steady. In addition to last month's Swiss franc issue, in March Iberdrola signed a €700 million green loan with the [European Investment Bank](#) for the expansion of electricity grids in Spain, and in January Iberdrola and the [World Bank](#) extended their partnership with a €300 million green loan for renewable projects in emerging countries.

In the same month, [Iberdrola issued €700 million in hybrid bonds](#), thus keeping the company's hybrid volume stable at €8.25 billion. The funds obtained were used to refinance the renewable assets that had been financed with the hybrid bond issued in 2018, which was replaced with this operation.

At the end of December, the company signed its [largest credit line in history for €5.3 billion](#) with 33 international banks. The cost of this operation was at the most competitive levels for Iberdrola, with prices similar to those of 2019, and the operation was oversubscribed by more than 40%, demonstrating the strong commitment of the banks to Europe's leading utility by capitalisation and the second largest in the world.

### Global leader in sustainable and green finance

Iberdrola has established itself as a global benchmark in [sustainable financing](#) with more than €50 billion in outstanding transactions and is the world's leading private group in green bond issuance, after becoming the first Spanish company to issue a bond of these characteristics in 2014. The group currently has close to €22 billion of green bonds outstanding.

In the banking market, in 2016, the company also signed the first green loan for an energy company, amounting to €500 million. That operation was followed by various loans and credit lines linked to sustainability criteria.