



RWE

Q1 2020 Results

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Disclaimer

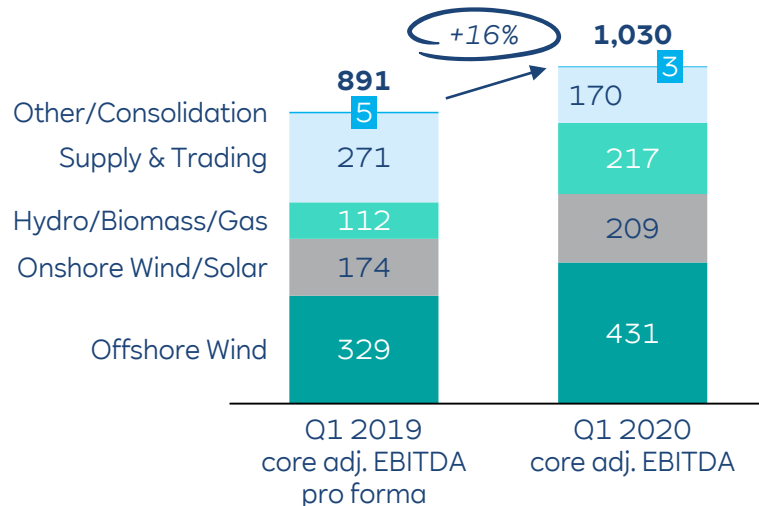
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2020 off to a good start – outlook for full year confirmed

- **Adj. EBITDA** for the core business improved by ~16% on a pro forma basis to €1.0bn, adj. EBITDA for RWE Group at €1.3bn for Q1 2020
- **FY2020 outlook** and dividend target of €0.85 per share confirmed
- Very solid **liquidity** situation with cash liquidity & marketable securities of more than €4bn at Q1. In addition, more than €1bn undrawn credit lines and the €5bn Revolving Credit Facility (RCF)
- **Net debt** at ~€8.7bn – seasonal peak typical in the first quarter due to purchase of carbon certificates. In Q1 2020 also driven by timing effects from hedging activities
- Positive **credit rating** reviews: Moody's Baa3 with change in outlook to positive, Fitch confirms BBB with a stable outlook
- Awarded 'B' in **sustainability rating** by CDP which is above average of all participating companies

Good all-round performance in Q1, adj. EBITDA tops €1bn in core business

Core adj. EBITDA Q1 2020 vs. Q1 2019 pro forma, € million



- Excellent wind conditions boost **Offshore Wind** earnings
- Capacity additions and favourable wind conditions strengthen earnings at **Onshore Wind/Solar**
- Commercial optimisation of power plant dispatch and GB capacity payments increase results at **Hydro/Biomass/Gas**
- **Supply & Trading** delivers strong performance, but not on exceptional level of previous year

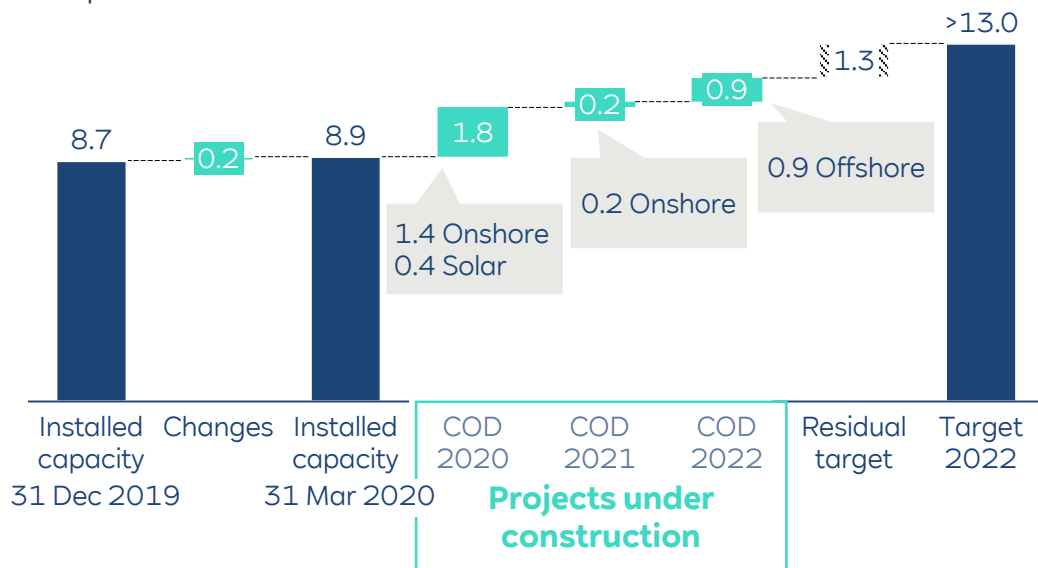
Adj. EBITDA for RWE Group, incl. Coal/Nuclear amounts to €1,312 million (+19%) in Q1 2020

Note: pro forma adj. EBITDA according to new business segments and inclusion of E.ON's acquired assets for full FY2019.

Good progress in Wind/Solar towards our growth target for 2022 and beyond

Wind/Solar installed capacity increases to 8.9 GW and further 2.9 GW under construction
Q1 2020











GW pro rata



- Onshore wind farm **Peyton Creek** (151 MW) **commissioned** and tax equity financing secured
- FID** for **Kaskasi** (342 MW) offshore wind farm taken. Expected COD in 2022
- Strategic partnership with Taiwan's Asia Cement Corp established, **development of Chu Feng** (up to 448 MW) offshore wind project

Note: Installed capacity excluding storage.

Where are we with our major construction projects?

Project	 Offshore Wind		 Onshore Wind			 Solar	
	Triton Knoll	Kaskasi	Clocaenog Forest	Cranell	Big Raymond	Scioto Ridge	Limondale
Country							
Capacity <i>pro rata</i>	509 MW	342 MW	96 MW	220 MW	440 MW	250 MW	249 MW
Expected COD	Q1 2022	Q4 2022	Q2 2020	Q2 2020	Q4 2020	Q4 2020	Q4 2020
Status	Construction – on track	Preparation Phase	Commissioning Phase	Commissioning Phase	Construction – slightly delayed	Construction – on track	Construction – slightly delayed
Comments	Offshore construction started in January 2020	Contracts signed with main suppliers; offshore construction works to start in Q3/2021	All turbines generating, final wind farm testing and final COD outstanding	Grid availability has been achieved. Commercial operation date is planned for Q2/2020	Construction work ongoing. Although, COVID-19 related issues in the supply chain might affect the turbine supply	Construction work ongoing. Point of Interconnection has been energised and turbine erection has commenced	Installation of modules almost completed; COVID-19 related delay to the grid registration process

Note: Construction including pre-construction/preparation works.

Offshore Wind: Earnings on the up thanks to excellent wind conditions

Key financials Q1 - Offshore Wind

€ million	Q1 2020	<i>pro forma</i> Q1 2019	change
Adj. EBITDA	431	329	+102
t/o non-recurring items	-	-	-
Depreciation	-95	-94	-1
Adj. EBIT	336	235	+101
t/o non-recurring items	-	-	-
Gross cash investments	-160	n.a.	n.a.
Gross cash divestments	+12	n.a.	n.a.

Q1 2020 vs. Q1 2019 pro forma

- + Stronger wind speeds, which are above average in Q1 2020

Outlook 2020 vs. FY 2019 pro forma

Outlook 2020
€900 - 1,100m

- + Normalised weather conditions for the remaining year assumed versus low wind levels in 2019

Note: pro forma - new business segments and inclusion of E.ON's acquired assets for full FY2019.

Onshore Wind/Solar: Puts in good performance thanks to new capacity additions and better weather conditions

Key financials Q1 - Onshore Wind/Solar

€ million	Q1 2020	<i>pro forma</i> Q1 2019	change
Adj. EBITDA	209	174	+35
t/o non-recurring items	-	-	-
Depreciation	-93	-85	-8
Adj. EBIT	116	89	+27
t/o non-recurring items	-	-	-
Gross cash investments	-233	n.a.	n.a.
Gross cash divestments	+18	n.a.	n.a.

Q1 2020 vs. Q1 2019 pro forma

- + Capacity additions in Onshore Wind/Solar in Europe and US
- + Better weather conditions - which are above average - mainly wind speeds in Europe

Outlook 2020 vs. FY 2019 pro forma

Outlook 2020
€500 - 600m

- + Increased earnings due to capacity additions by Onshore Wind/Solar projects in Europe, US and AUS
- + Normalised weather conditions for the remaining year assumed versus low wind levels in 2019

Note: pro forma - new business segments and inclusion of E.ON's acquired assets for full FY2019.

Hydro/Biomass/Gas: Sound earnings in a volatile market environment and GB capacity market income

Key financials Q1 - Hydro/Biomass/Gas

€ million	Q1 2020	<i>pro forma</i> Q1 2019	change
Adj. EBITDA	217	112	+105
t/o non-recurring items	-	-	-
Depreciation	-82	-78	-4
Adj. EBIT	135	34	+101
t/o non-recurring items	-	-	-
Gross cash investments	-153	n.a.	n.a.

Q1 2020 vs. Q1 2019 pro forma

- + Higher earnings from the commercial optimisation of our power plant dispatch in a volatile market
- + Income from GB capacity payments (+€42 million)¹

Outlook 2020 vs. FY 2019 pro forma

Outlook 2020
€550 - 650m

- FY 2020 GB capacity payments of ~€160 million; 2019 includes one-off repayment¹ for 2018 of €51 million

¹ Resumption of GB capacity payments in Q4 2019 after suspension. Revenues from GB capacity market amounted to €229 million in 2019 and included a one-off payment of €51 million for 2018. | Note: pro forma - new business segments. Former European Power, including hydro and biomass activities from innogy, excluding German hard coal activities and including 37.9% participation in Austrian Kelag.

Supply & Trading: Delivers strong trading performance in Q1, but below exceptional level of previous year

Key financials Q1 - Supply & Trading

€ million	Q1 2020	<i>pro forma</i> Q1 2019	change
Adj. EBITDA	170	271	-101
t/o non-recurring items	-	-	-
Depreciation	-10	-10	-
Adj. EBIT	160	261	-101
t/o non-recurring items	-	-	-
Gross cash investments	-21	n.a.	n.a.

Q1 2020 vs. Q1 2019 pro forma

- Strong trading performance as well as good result for gas & LNG business; however, earnings contribution below exceptionally high level in the previous year

Outlook 2020 vs. FY 2019 pro forma

Outlook 2020
€150 - 350m

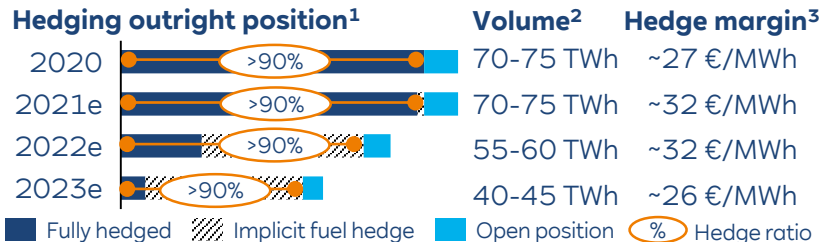
- Exceptionally high earnings contribution in 2019 due to outstanding trading performance and strong contribution from gas and LNG
 - Long-term average earnings contribution of ~€250 million, including stable earnings contribution from gas storage

Note: pro forma - new business segments. Includes gas storage activities acquired from E.ON for full FY2019.

Coal/Nuclear: Posts solid earnings on the strength of a good hedge performance

Key financials Q1 - Coal/Nuclear

€ million	Q1 2020	Q1 2019 <i>pro forma</i>	change
Adj. EBITDA	282	210	+72
t/o non-recurring items	-	-	-
Depreciation	-76	-85	+9
Adj. EBIT	206	125	+81
t/o non-recurring items	-	-	-
Gross cash investments	-39	n.a.	n.a.



¹ Outright: Lignite and Nuclear. | ² Financial hedged volume. | ³ Hedge margin after carbon costs. | Note: pro forma - new business segments. Former division Lignite & Nuclear plus German hard coal and nuclear minorities for full FY2019.

Q1 2020 vs. Q1 2019 pro forma

- + Higher realised generation margin for outright position
- + Production plan updated after lignite phaseout agreement

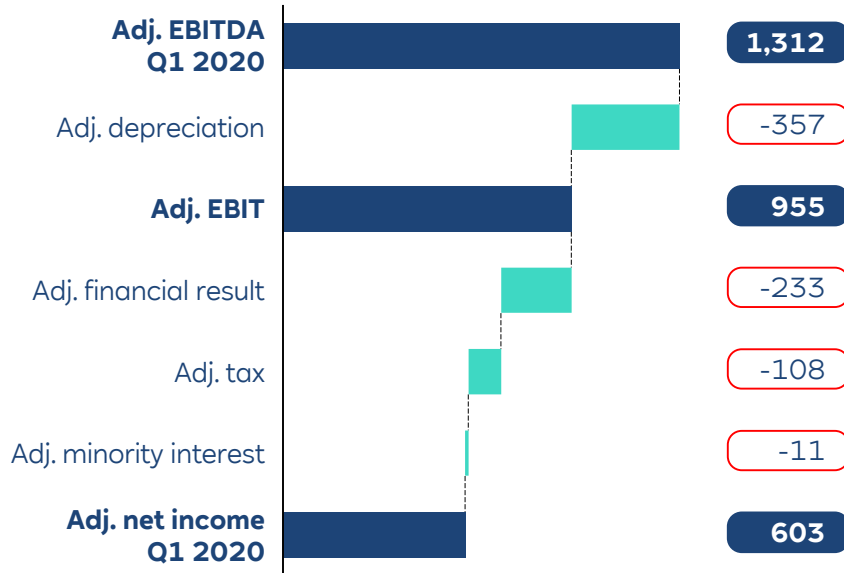
Outlook 2020 vs. FY 2019 pro forma

Outlook 2020
€500 - 600m

- + Higher realised generation margin for outright position, ~+3 EUR/MWh in 2020
- + Production plan updated after lignite phaseout agreement

Adj. net income of ~€0.6bn at a solid level on the back of a sound operational performance in Q1 2020

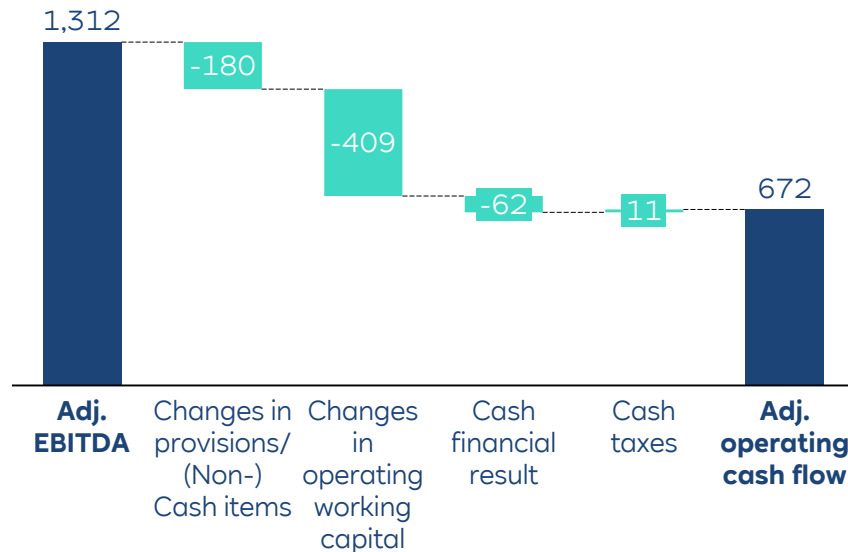
Adj. net income, € million
Q1 2020



- **Adj. EBITDA** excludes non-operating result
- **Adj. financial result** negatively affected by losses in financial asset portfolio and negative mark-to-market valuation of FX derivatives
Financial result mainly adjusted for lower discount rates of mining provisions
- **Adjustments of tax** refer to a general tax rate of 15% in line with the expected mid-term tax level at RWE Group
- **Adj. minority interest** mainly for fully consolidated wind/solar projects, adjusted for minorities stemming from discontinued operations

Adj. operating cash flow of nearly €0.7bn mainly driven by good adj. EBITDA and typical cyclical effects in working capital

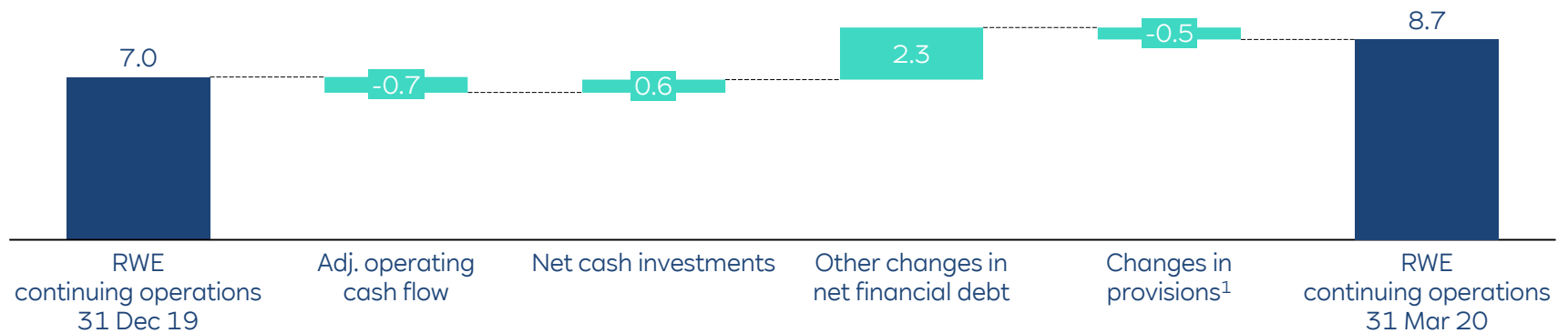
Reconciliation to adj. operating cash flow, € million
Q1 2020



- **Changes in provisions** among others driven by legacy and restructuring provisions
- **Changes in working capital** mainly due to negative seasonal effects from purchase of CO₂ certificates and increase in accounts receivable from high wind/solar power generation. Partly compensated by GB capacity repayment and reduction of gas inventories

Net debt for RWE increases, mainly due to timing effects from hedging activities in Q1 2020

Development of net debt continuing operations, € billion
Q1 2020



- Timing effects from hedging such as variation margins and CO₂ provisions of ~€1.8bn in 'Other changes in net financial debt'
- Changes in provisions are driven by decrease in pension provisions due to higher discount rate, which overcompensated losses from plan assets

¹ Includes pension and wind provisions but excludes nuclear provisions as they are not part of adj. operating cash flow.

Outlook for fiscal year 2020

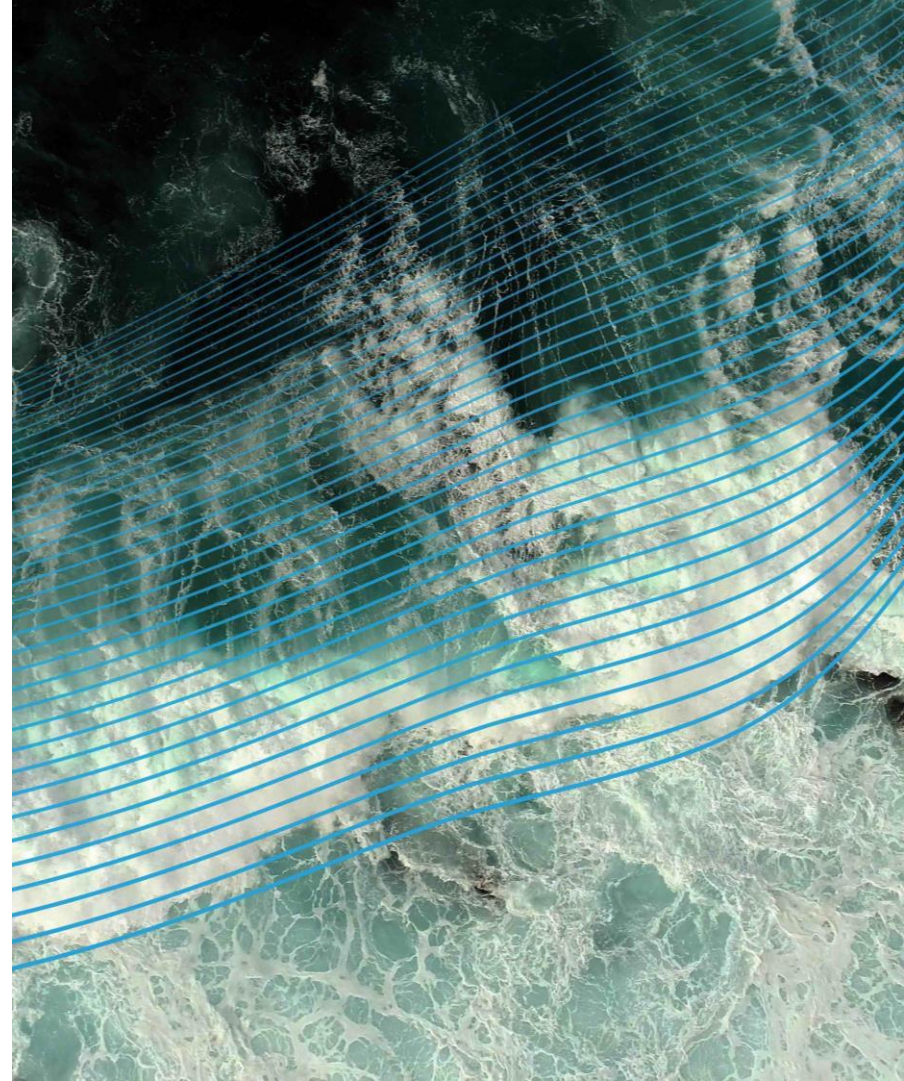
Core adj. EBITDA: ~€2.15 – 2.45bn

Adj. EBITDA RWE Group: ~€2.7 – 3.0bn

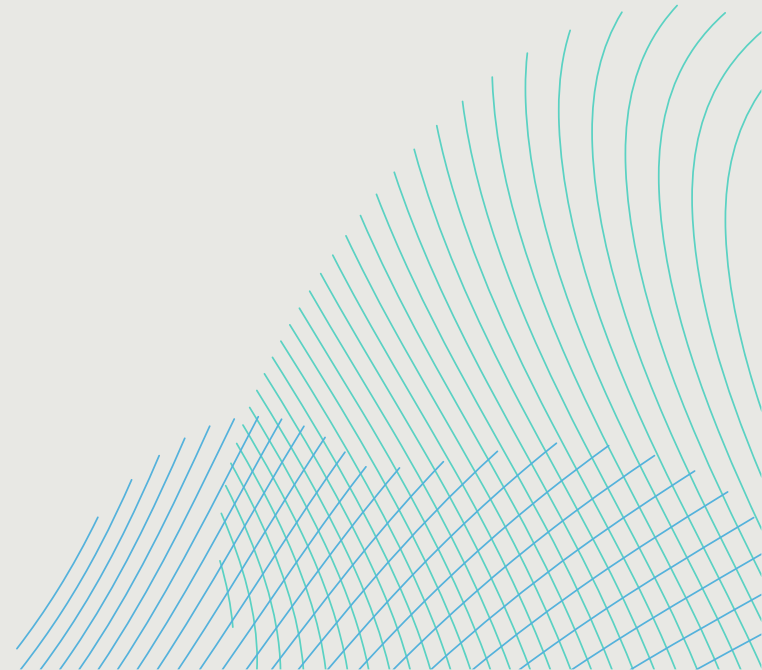
Adj. EBIT: ~€1.2 – 1.5bn

Adj. net income: ~€0.85 – 1.15bn

Dividend target: ~€0.85 per share



Appendix



Reconciliation to adj. net income

(€ million)	Q1 2020		
	Reported	Adjustments	Adjusted
Adj. EBITDA	1,312	-	1,312
Depreciation	-357	-	-357
Adj. EBIT	955	-	955
Non-operating result	425	-425	-
Financial result	-367	+134	-233
Taxes on income (Tax rate)	-290 (29%)	+182	-108 (15%)
Income of continuing operations	723	-109	614
Income of discontinued operations	30	-30	-
Income, of which	753	-139	614
Minority interest	25	-15	11
Net income¹	728	-124	603

¹ Income attributable to RWE AG shareholders. | Note: Rounding differences may occur.

Key sensitivities to our planning assumptions for 2020

Driver	Segment	Type	Sensitivity	Group impact ¹
Wind levels	Offshore Wind	P&L	+/- 10% production	+/- €150 million
	Onshore Wind/Solar	P&L	+/- 10% production	+/- €100 million
Power prices	Offshore Wind and Onshore Wind/Solar	P&L	+/- 10%	+/- €60 million ²
Main f/x (USD & GBP)	RWE Group	P&L	+/- 10%	+/- €125 million
CO ₂ prices	RWE Group	P&L	+/- €1/t	Hedged until 2030
Pension provisions	RWE Group Germany	B/S	+/- 0.1% ³	-€150/+€170 million ⁴
	RWE Group abroad	B/S	+/- 0.1% ³	-€90/+€100 million ⁴
Nuclear provisions	RWE Group	B/S	+/- 0.1% ³	-/+ €50 million
Mining provisions	RWE Group	B/S	+/- 0.1% ³	-/+ €140 million

¹ All figures are rounded numbers. P&L figures refer to adjusted EBITDA. | ² Earnings impact on unhedged position. For 2020 we have already hedged a significant amount of our merchant production volumes. |

³ Change in real discount rate (net effect from change in nominal discount rate and escalation rate). | ⁴ Gross effect of changes in present value of defined benefit obligations. No offsetting effect from development of plan assets included. | Note: as of end of Nov 2019.

Your contacts in Investor Relations

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+1 201 680-6255 (outside from the US)
1-888-269-2377 (within the US)

Financial Calendar

- **26 June 2020**
Virtual Annual General Meeting
- **1 July 2020**
Dividend payment
- **13 August 2020**
Interim report on the first half of 2020
- **12 November 2020**
Interim statement on the first three quarters of 2020
- **16 March 2021**
Annual Report for fiscal 2020

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