



RWE

H1 2020 Results

13 August 2020

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Disclaimer

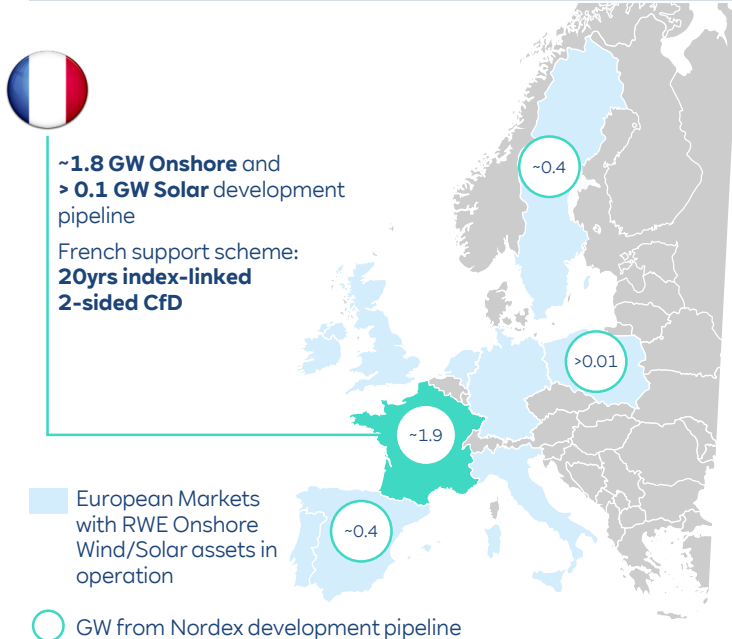
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Successful first half 2020 – continuous improvement of renewables pipeline and FY outlook confirmed

- **Adj. EBITDA** for core business up ~9% to €1.5bn versus pro forma 2019, adj. EBITDA of RWE Group at €1.8bn
- **FY2020 outlook** and dividend target of €0.85 per share confirmed. Adj. EBITDA for core business and Group to be at the upper end of guidance
- **Net debt** at ~€7.8bn at the end of June in line with expectations. Leverage factor of 3.0x (net debt/core adj. EBITDA) at year end envisaged
- Final step of transaction with E.ON closed. **Full legal & HR integration completed**
- **Broad market entry France:** Onshore Wind/Solar **development pipeline of 2.7 GW** to be acquired from Nordex
- **German Coal Phaseout Act** becomes law - **clear path** for RWE on **how to exit** coal

Deal to acquire Nordex's 2.7 GW European Onshore Wind/Solar development pipeline underpins future growth ambitions

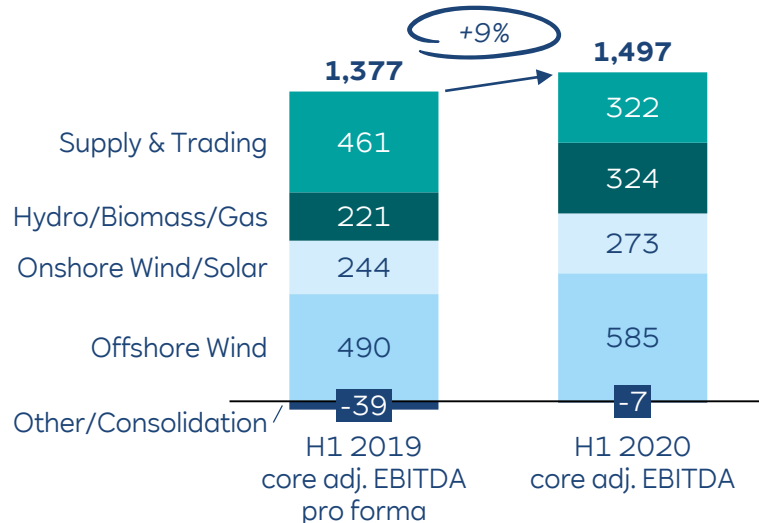
We strengthen our European market presence in Onshore Wind/Solar



- **Market entry** in France, an attractive renewables market with ambitious build-out targets by 2030
- **Experienced team** of more than 70 professionals mostly based in France will join RWE upon completion of the transaction
- **Well balanced pipeline** in France, Spain, Sweden and Poland across different development stages – commissioning of approx. 500 MW by 2025
- Approx. 230 MW with secured CfDs or CR2017 tariffs
- **Closing** expected **before year end 2020** following receipt of customary approvals

Adj. EBITDA of core business on the rise to €1.5bn in H1

Core adj. EBITDA H1 2020 vs. H1 2019 pro forma, € million



- Excellent wind conditions in Q1 push **Offshore Wind** earnings to high level in H1
- Capacity additions and good wind conditions strengthen earnings at **Onshore Wind/Solar**
- Increase in result at **Hydro/Biomass/Gas** mainly due to GB capacity payments
- **Supply & Trading** puts in a strong performance

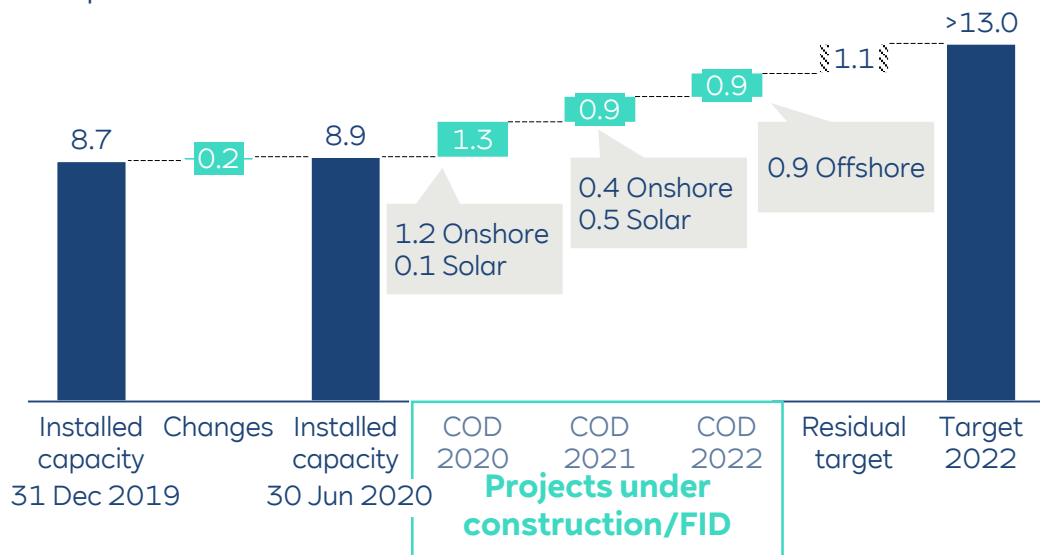
Adj. EBITDA for RWE Group, incl. Coal/Nuclear amounts to €1,807 million (+18%) in H1 2020

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

Further investment decisions for onshore and solar projects of ~200 MW – on track to reach >13 GW target

Wind/Solar installed capacity increases to 8.9 GW and further 3.1 GW under construction/FID
H1 2020











GW pro rata



- FID for Hickory Park solar farm in US (196 MW), with co-located storage (40 MW). Expected COD 2021
- Further FIDs for smaller Onshore/Solar/Battery projects in NL, PL, IE taken
- Agreement for Lease secured for UK Awel y Môr Offshore wind farm (300 MW)
- Dublin Array offshore project (300 MW) in Ireland fast tracked. Expected COD 2026
- Floating offshore demonstration project of 10-12 MW in Maine, US

Note: Additional 30 MW installed capacity from batteries as well as battery projects of 109 MW under construction/FID. | Excluding capacity addition from the Nordex development pipeline. Rounding differences may occur.

Where are we with our major construction projects?

	 Offshore Wind		 Onshore Wind			 Solar	
Project	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	Q3 2020 <i>prev. Q2 2020</i>	Q3 2020 <i>prev. Q2 2020</i>	Q4 2020 and Q1 2021 ¹	Q4 2020	Q1 2021 <i>prev. Q4 2020</i>
Status	Construction – on track	Preparation Phase	Commissioning Phase	Commissioning Phase	Construction – slightly delayed	Construction – on track	Commissioning Phase
Comments	Offshore construction ongoing with cables, substations and foundations all progressing in advance of turbine installation in 2021	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	Construction work progressing. All long lead time balance of plant equipment and material is on site. COVID-19 related supply chain issue on portion of turbine supply	Construction work ongoing. Turbine erection is progressing. Grid availability has been achieved and turbine commissioning will begin shortly	Registration has been received by the grid operator and the hold point testing as well as final commissioning process is commencing

¹ Gradual commissioning process: Raymond East, 200 MW expected COD Q4 2020, Raymond West, 240 MW expected COD Q1 2021. | Note: Construction including pre-construction/preparation works.

Offshore Wind: Earnings on the up thanks to excellent wind conditions in Q1

Key financials H1 - Offshore Wind

€ million	H1 2020	<i>pro forma</i> H1 2019	change
Adj. EBITDA	585	490	+95
t/o non-recurring items	-	-	-
Depreciation	-184	-191	+7
Adj. EBIT	401	299	+102
t/o non-recurring items	-	-	-
Gross cash investments¹	-316	n.a.	n.a.
Gross cash divestments¹	+83	n.a.	n.a.

H1 2020 vs. H1 2019 pro forma

- + Stronger performance on the back of above average wind speeds in Q1 2020

Outlook 2020 vs. FY 2019 pro forma

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

Outlook 2020
€900 - 1,100m

¹ Gross cash (di-)investments: Sum of (di-)investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures. | Note: pro forma - new business segments and inclusion of assets acquired from E.ON for full FY2019.

Onshore Wind/Solar: Solid earnings in H1 on the back of capacity additions and better weather conditions

Key financials H1 - Onshore Wind/Solar

€ million	H1 2020	<i>pro forma</i> H1 2019	change
Adj. EBITDA	273	244	+29
t/o non-recurring items	-	-	-
Depreciation	-188	-168	-20
Adj. EBIT	85	76	+9
t/o non-recurring items	-	-	-
Gross cash investments¹	-545	n.a.	n.a.
Gross cash divestments¹	+21	n.a.	n.a.

H1 2020 vs. H1 2019 pro forma

- + Increased capacity in Onshore Wind/Solar, Europe and US
- + Higher earnings in Europe from above average weather conditions in Q1 2020

Outlook 2020 vs. FY 2019 pro forma

Outlook 2020
€500 - 600m

- + Increased capacity in Onshore Wind/Solar in Europe and US
- + Normalised weather conditions for the remainder of the year assumed versus low wind levels in 2019
- Construction delays, mainly at US assets due to Covid-19

¹ Gross cash (di-)investments: Sum of (di-)investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures. | Note: pro forma - new business segments and inclusion of assets acquired from E.ON for full FY2019.

Hydro/Biomass/Gas: Good H1 performance after a strong Q1

Key financials H1 - Hydro/Biomass/Gas

€ million	H1 2020	<i>pro forma</i> H1 2019	change
Adj. EBITDA	324	221	+103
t/o non-recurring items	-	-	-
Depreciation	-169	-159	-10
Adj. EBIT	155	62	+93
t/o non-recurring items	-	-	-
Gross cash investments¹	-177	n.a.	n.a.

H1 2020 vs. H1 2019 pro forma

+ Income from GB capacity payments (+€74 million)²

Outlook 2020 vs. FY 2019 pro forma

Outlook 2020
€550 - 650m

- FY 2020 GB capacity payments of ~€160 million; 2019 includes one-off payment² for 2018 of €51 million
- Fire at Eemshaven power plant leading to a temporary stoppage of biomass co-firing

¹ Gross cash (di-)investments: Sum of (di-)investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures. | ² 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% stake in Kelag.

Supply & Trading: Strong and robust trading performance in the first six months of the year

Key financials H1 - Supply & Trading

€ million	H1 2020	<i>pro forma</i> H1 2019	change
Adj. EBITDA	322	461	-139
t/o non-recurring items	-	-	-
Depreciation	-22	-20	-2
Adj. EBIT	300	441	-141
t/o non-recurring items	-	-	-
Gross cash investments¹	-30	n.a.	n.a.

H1 2020 vs. H1 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

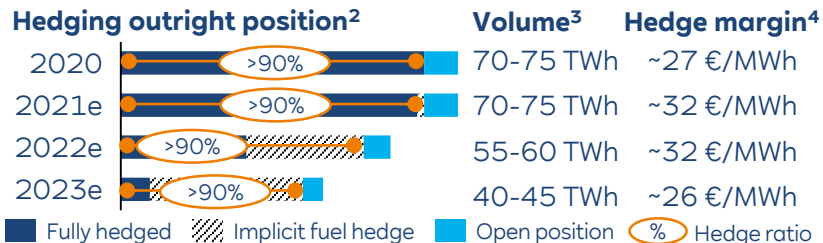
- Exceptionally high earnings contribution in 2019 due to outstanding trading performance and strong contribution from gas and LNG
- Long-term average earnings of ~€250 million, including stable earnings contribution from gas storage

¹ Gross cash (di-)investments: Sum of (di-)investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures. | Note: pro forma - new business segments. Includes gas storage activities acquired from E.ON for full FY2019.

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

Key financials H1 - Coal/Nuclear

€ million	H1 2020	<i>pro forma</i> H1 2019	change
Adj. EBITDA	310	148	+162
t/o non-recurring items	-	-	-
Depreciation	-155	-171	+16
Adj. EBIT	155	-23	+178
t/o non-recurring items	-	-	-
Gross cash investments¹	-77	n.a.	n.a.



H1 2020 vs. H1 2019 pro forma

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

Outlook 2020 vs. FY 2019 pro forma

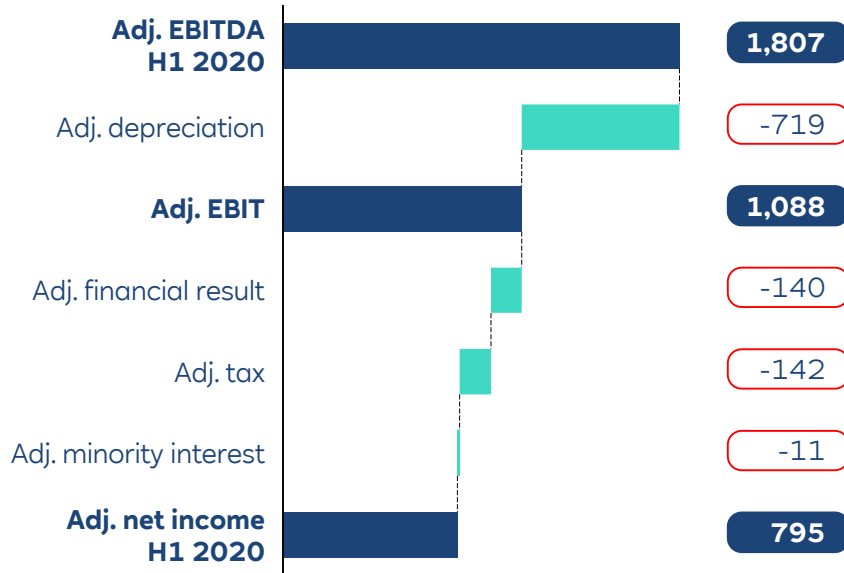
Outlook 2020
€500 - 600m

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

¹ Gross cash (di-) investments: Sum of (di-) investments in (in-) tangible and financial assets, loans to non-consolidated affiliates and capital measures. | ² Outright: Lignite and Nuclear. | ³ Financial hedged volume. | ⁴ Hedge margin after carbon costs. CO₂ position financially hedged until end of 4th compliance period (2030). | Note: pro forma - new business segments. Former division Lignite & Nuclear plus German hard coal and nuclear minorities for full FY2019.

Adj. net income of ~€0.8bn at solid level as a result of a very good operational performance in H1 2020

Adj. net income, € million
H1 2020

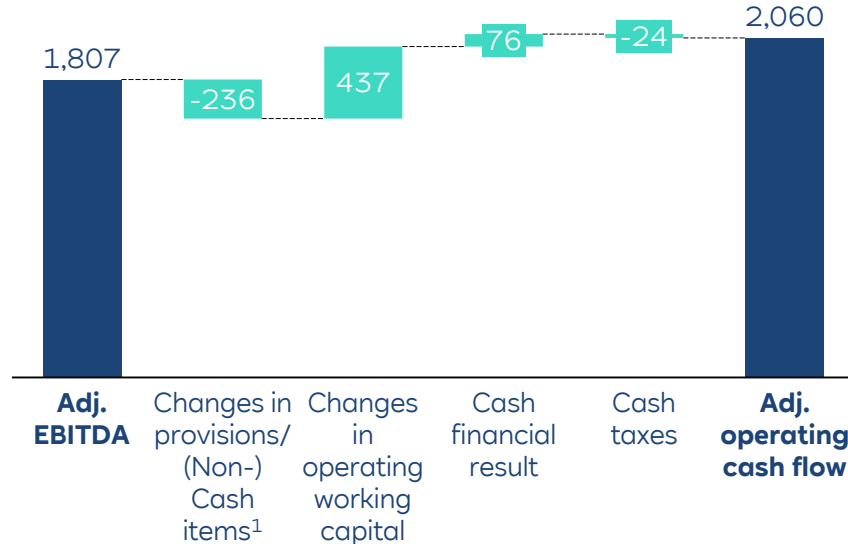


- **Adj. EBITDA** excludes non-operating result
- **Adj. financial result** includes E.ON dividend of €182 million as well as losses in financial asset portfolio from Q1 and negative mark-to-market valuation of FX derivatives. Financial result mainly adjusted for lower discount rates of mining provisions
- **Adjustments of tax** refer to a general tax rate of 15% in line with the expected mid-term tax level at RWE Group¹
- **Adj. minority interest** mainly for fully consolidated wind/solar projects, adjusted for minorities stemming from discontinued operations

¹ General tax rate of 15% for the planning horizon is based on a blended calculation of local tax rates, the use of loss carry forwards and low taxed dividend income, e.g. from E.ON and Amprion.

Adj. operating cash flow tops €2bn mainly due to good adj. EBITDA

Reconciliation to adj. operating cash flow, € million
H1 2020

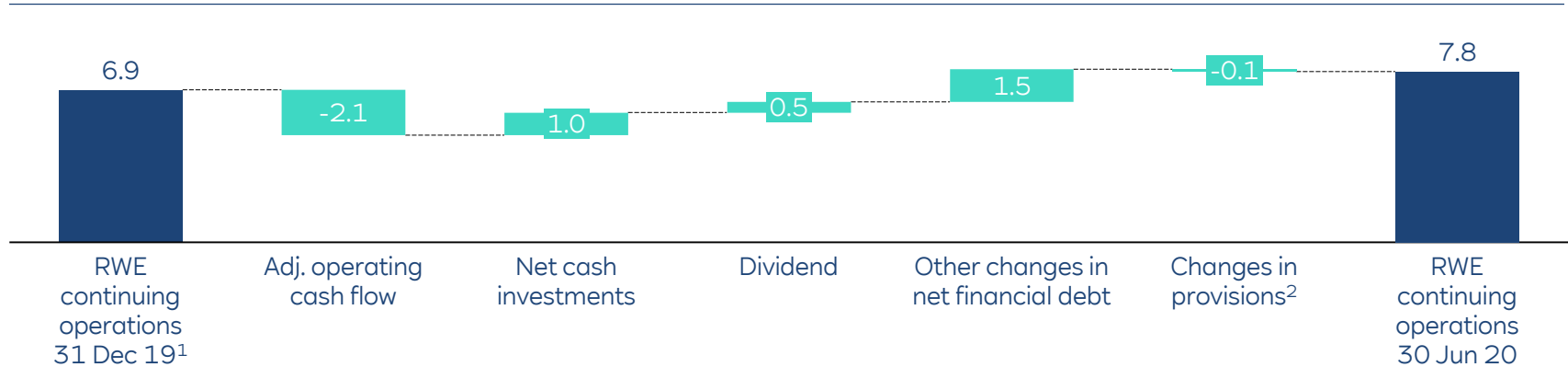


- **Changes in provisions** driven by legacy and restructuring provisions among others
- **Positive effects in 'Changes in operating working capital'** mainly from receipt of GB capacity market payments for the years 2018 (pro rata) and 2019 as well as reduction of gas inventories
- Positive **'Cash financial result'** as a result of E.ON dividend in Q2

¹ Excludes nuclear provisions since utilisation is not net debt effective and will be refinanced via financial debt.

Net debt increase since fiscal 2019 due to timing effects from hedging activities as expected

Development of net debt continuing operations, € billion
H1 2020



- RWE's dividend payment for fiscal 2019 after virtual AGM on 26 June 2020
- Timing effects from hedging such as variation margins and CO₂ provisions of ~€1bn in 'Other changes in net financial debt'
- Changes in provisions driven by a decrease in pension provisions and partly offsetting effect from wind provisions

¹ Adjustment of approx. -€0.1bn from retroactive adjustment to the initial consolidation of the renewable energy business acquired from E.ON in 2019. | ² Includes pension and wind provisions but excludes nuclear provisions as they are not part of adj. operating cash flow. | Note: Rounding differences may occur.

Outlook for fiscal year 2020

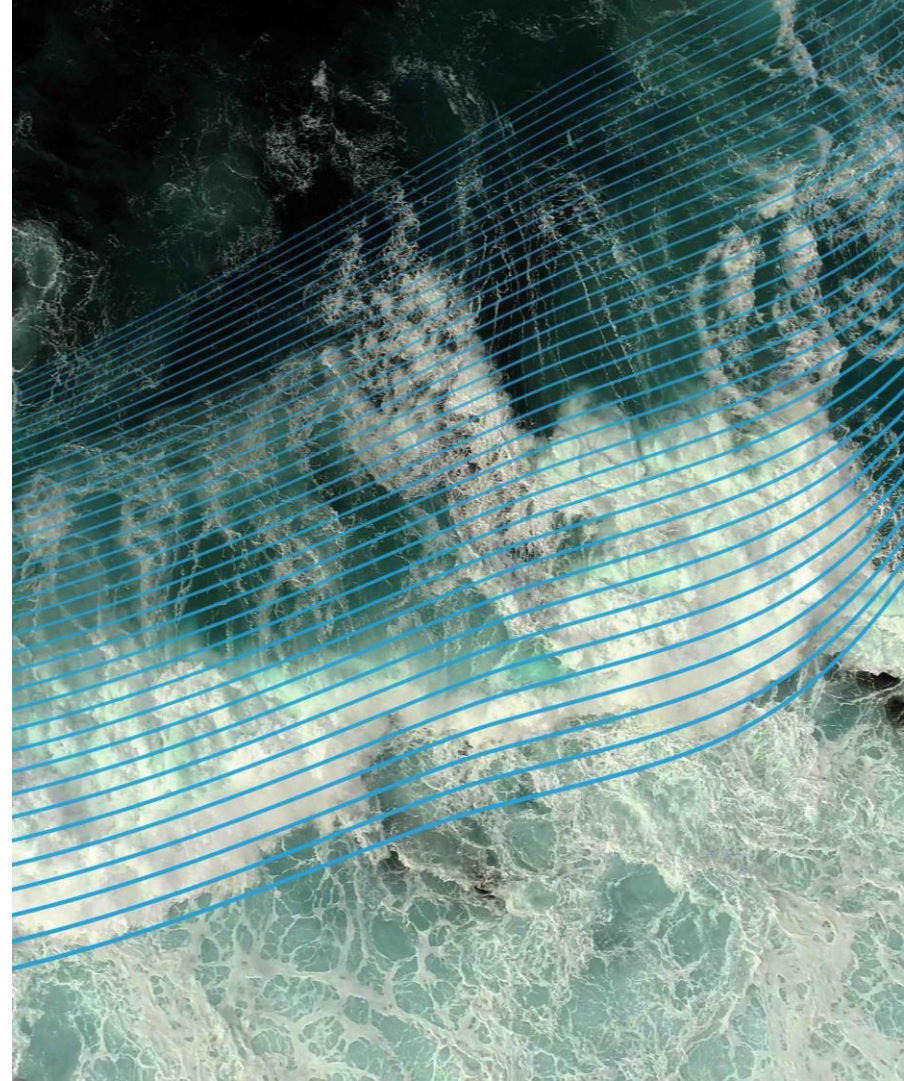
Core adj. EBITDA: ~€2.15 – 2.45bn

Adj. EBITDA RWE Group: ~€2.7 – 3.0bn

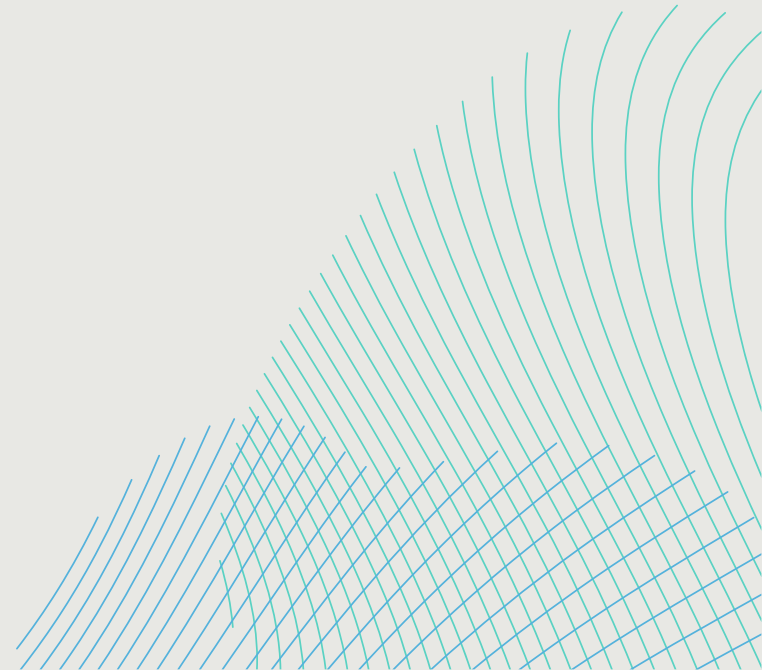
Adj. EBIT: ~€1.2 – 1.5bn

Adj. net income: ~€0.85 – 1.15bn

Dividend target: €0.85 per share



Appendix



Reconciliation to adj. net income

(€ million)	H1 2020		
	Reported	Adjustments	Adjusted
Adj. EBITDA	1,807	-	1,807
Depreciation	-719	-	-719
Adj. EBIT	1,088	-	1,088
Non-operating result	662	-662	-
Financial result	-304	+164	-140
Income from continuing operations before taxes	1,446	-498	948
Taxes on income (Tax rate)	-449 (31%)	+307	-142 (15%)
Income of continuing operations	997	-191	806
Income of discontinued operations	50	-50	-
Income, of which	1,047	-241	806
Minority interest	+37	-26	11
Net income¹	1,010	-215	795

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

Economic net debt

Net debt ¹			
(€ million)	30 Jun 2020	31 Dec 2019	+/-
Cash and cash equivalents	3,381	3,192	189
Marketable securities	2,579	3,523	-944
Other financial assets	2,798	2,383	415
Financial assets	8,758	9,098	-340
Bonds, other notes payable, bank debt, commercial paper	2,458	2,466	-8
Hedging of bond currency risk	6	7	-1
Other financial liabilities	3,893	3,147	746
Financial liabilities	6,357	5,620	737
Minus 50% of the hybrid capital recognised as debt	-560	-562	2
Net financial assets (including correction of hybrid capital)	2,961	4,040	-1,079
Provisions for pensions and similar obligations	3,509	3,446	63
Surplus of plan assets over benefit obligations	-406	-153	-253
Provisions for nuclear waste management	6,600	6,723	-123
Provisions for dismantling wind farms	1,043	951	92
Net debt of continuing operations	7,785	6,927	858

New definition

- Net debt no longer contains mining provisions, which essentially cover our obligations to recultivate opencast mining areas
- Assets, we use to cover these provisions are also not part of the net debt, e.g. €2.6 bn claim against the state for damages arising from the lignite phaseout

¹ New definition of net debt. | Note: Adjustment of approx. -€0.1bn from retroactive adjustment to the initial consolidation of the renewable energy business acquired from E.ON in 2019. Previously net debt of €7.0bn as of 31 Dec 2019.

Key sensitivities to our planning assumptions for FY2020

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

- **12 November 2020**
Interim statement on the first three quarters of 2020
- **16 March 2021**
Annual Report for fiscal 2020
- **28 April 2021**
Annual General Meeting
- **03 May 2021**
Dividend payment
- **12 May 2021**
Interim statement on the first quarter of 2021

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