FitchRatings

Corporates
Utilities - Non US
Germany

RWE AG

RWE AG's rating reflects the company's robust business profile as a large power generation company in Germany, with a significant exposure to mature markets in western Europe and the US, and its gradually improving generation mix by technology. EBITDA is supported by long-term contracted earnings across various segments, which offers good cash flow predictability.

Fitch Ratings expects the share of total contracted EBITDA to improve to around 60% in 2027, in parallel with an increasing weight of production from clean technologies. As a result, we have relaxed the nuclear-adjusted funds from operations (FFO) net leverage negative sensitivity to 2.8x, from 2.5x. The Stable Outlook reflects our expectations that net leverage will average 2.2x over 2025-2027, with reasonable headroom.

Key Rating Drivers

Lower Capex Announced: RWE reduced its net capex target by 25%, to EUR35 billion, over 2025-2030, compared with its 2023 plan. This reflects the suspension of investments in US offshore wind, due to changing market conditions and stricter investment criteria, alongside an increased focus on projects with contracted cash flow. The company will continue to expand renewables in its core markets as its broad strategy is unchanged.

Flexibility in Capital Allocation: We forecast net capex of about EUR6 billion a year on average over 2025-2027, reflecting the company's updated guidance. While 2025 capex is mostly committed, a large part of 2026 and 2027 is still uncommitted. The capex revision and large pipeline of projects give RWE flexibility over capital allocation. The company's share buyback programme is unchanged notwithstanding the lower capex, with EUR1.5 billion planned until 2Q26, an important factor underpinning the rating action.

Portfolio Risk Largely Reduced: RWE suspended investments in US offshore wind due to the uncertain environment with the new administration. There are minimal risks for its operational portfolio and the 11.2GW construction projects, according to the company, and no major effect from tariffs. We acknowledge that RWE has a good supply chain management through long-term relationships with suppliers and front-loading purchase of critical materials, like turbines and key electrical components.

Large and Diversified Asset Base: We expect RWE's installed capacity to increase to 57GW in 2027 from 46GW in 2024. Wind and solar should reach 26GW by 2027 and represent 46% of total capacity. Renewables offer good cash flow visibility, as RWE derives about 70% of these earnings under secured support schemes. Flexible generation, driven by gas, still plays a key role in RWE's asset base and should represent 40% of total earnings in 2027. RWE benefits from capacity payments in the UK gas segment, which represent about 25% of flexible generation earnings but we expect this share to increase.

Revenue Visibility to Improve: We expect Fitch-defined EBITDA to rise to EUR5.2 billion in 2027, from EUR3.5 billion in 2025, with the share of quasi-regulated EBITDA rising to 59% by 2027, from 48% in 2024, in line with RWE's strategy. We expect the EBITDA mix will continue to improve also beyond 2027, given the focus on projects with contracted cash flow and the possibility to get increasing capacity payments for gas-fired plants. RWE has also committed to exit coal by 2030. The relaxation of the nuclear-adjusted FFO net leverage negative sensitivity to 2.8x, from 2.5x factors in the expected business mix improvement in the medium term.

Negative Free Cash Flow Projected: Updated net capex for 2025-2027, together with average dividends distributions of EUR840 million a year, result in average negative free cash flow (FCF) of EUR4.2 billion. This leads to a gradual rise in Fitch-defined net debt, after equity credit and excluding nuclear provisions, to EUR11.2 billion in 2027, from a low EUR2.3 billion in 2024.

Ratings

RWE AG	
Long-Term IDR	BBB+
Short-Term IDR	F1
Senior Unsecured Debt - Long-Term Rating	BBB+
Senior Unsecured Debt - Short-Term Rating	F1
Subordinated Long-Term Rating	BBB–

Outlooks

Long-Term Foreign-Currency IDR	Stable

Click here for the full list of ratings

ESG and Climate

Highest ESG Relevance Scores

Environmental	4
Social	3
Governance	3

2035 Climate Vulnerability Signal: 51

Applicable Criteria

Corporates Recovery Ratings and Instrument Ratings Criteria (August 2024)

Corporate Rating Criteria (June 2025)

Sector Navigators – Addendum to the Corporate Rating Criteria (June 2025)

Corporate Hybrids Treatment and Notching Criteria (April 2025)

Related Research

Global Corporates Macro and Sector Forecasts

EMEA Investment-Grade Generation Companies – Peer Credit Analysis (May 2025)

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Hybrids Included in Capital Structure: RWE issued EUR1 billion of hybrid notes in two tranches of EUR500 million each in June 2025, with effective maturities in 2035 and 2038, respectively. The notes qualify for 50% equity credit as they meet Fitch criteria for subordination and cumulative interest coupon deferral. The company plans to maintain a permanent layer of hybrid debt in its capital structure, which should improve financial flexibility. We believe RWE could continue to use hybrids as a lever to manage leverage.

Commitment to a Solid Investment Grade: We expect nuclear-adjusted FFO net leverage to increase to 2.6x in 2027, from 1.9x in 2025, with an average of 2.2x between 2025 and 2027. This shows sufficient headroom, although decreasing, compared with the revised negative sensitivity of 2.8x. The company's target is at the lower end of 3.0x-3.5x, based on RWE-defined net debt/adjusted EBITDA, which we estimate is consistent with our rating sensitivity. RWE is committed to a solid investment-grade rating and has different tools to manage leverage, including the reduction of uncommitted capex, additional asset rotation, reduction of dividends and hybrid bond issuance.

Financial Summary

(EUR Mil.)	2022	2023	2024	2025F	2026F	2027F
EBITDA	5,899	7,554	5,007	3,457	4,559	5,181
FFO	7,408	7,190	3,106	3,275	3,932	4,530
FCF after acquisitions and divestitures	-2,983	-5,719	-5,337	-2,688	-4,679	-5,106
FFO interest coverage (x)	10.1	7.7	4.9	5.4	5.5	6.0
FFO net leverage (x)	-0.5	-0.3	0.7	0.9	1.6	2.2
Nuclear-adjusted FFO net leverage (x)	0.2	0.4	1.9	1.9	2.1	2.6

Source: Fitch Ratings, Fitch Solutions

Peer Analysis

RWE is rated one notch above Orsted A/S (BBB/Negative), reflecting RWE's materially lower leverage metrics, with a nuclear-adjusted FFO net leverage of 1.9x (versus Orsted's 3.5x). Orsted has a marginally higher debt capacity than RWE, given its bigger portion of regulated and quasi-regulated earnings – 80% for Orsted, compared with 60% for RWE – and a greater portion of renewables in its generation mix.

Fortum Oyj (BBB+/Stable), an energy company 51%-owned by the Finnish state, is rated at the same level as RWE. RWE is more exposed to thermal generation than Fortum but has a materially higher share of quasi-regulated business, which ultimately leads to a slightly higher debt capacity. Both companies have strong financial profiles, and FFO net leverage metrics commensurate with their ratings and rating sensitivities.

Statkraft AS (BBB+/Stable), one of Europe's largest hydro energy generators, has a 'bbb' Standalone Credit Profile. RWE has a slightly higher debt capacity given its higher share of quasi-regulated earnings and no emerging-market exposure, partially offset by Statkraft's better generation mix. Statkraft's FFO net leverage is higher than RWE's, leading to the one-notch rating difference, on an SCP basis.

RWE is rated two notches above ERG S.p.A (BBB-/Stable), although ERG has a slightly higher debt capacity at each rating level due mainly to a greater portion of contracted renewables in its generation mix (85%-90% versus RWE's 50%-60%) and a fully clean asset base. The two-notch difference mainly reflects RWE's lower FFO net leverage (end-2024: 4.1x for ERG; 1.9x for RWE).

Navigator Peer Comparison

	IDR/Outlook	Operating Environment	Management and Corporate Governance	Revenues Visibility	Market Position	Asset Base and Operations	Commodity Exposure	Profitability	Financial Structure	Financial Flexibility
Corporacion Acciona Energias Renovables, S.A.	BBB-/Stable	a	bbb+	bbb-	bbb+	a-	bbb+	bb+	bb	bbb
ERG S.p.A.	BBB-/Stable	a-	a-	bbb	bbb	bbb+	bbb	bbb-	bb+	a-
Fortum Oyj	BBB+/Stable	aa-	a-	bbb-	bbb	bbb+	bbb	bbb	bbb	bbb+
Orsted A/S	BBB/Negative	aa	bbb-	bbb+	bbb+	bbb+	bbb+	bb+	bbb-	bbb+
RWE AG	BBB+/Stable	aa	a-	bbb-	bbb+	bbb	bbb+	bbb-	bbb	a
Statkraft AS	BBB+/Stable	aa	a-	bb	bbb	a-	bbb-	bbb	bbb	a-

Source: Fitch Ratings

Relative Importance of Factor: Higher / Moderate / Lower

Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Revenues Visibility	Market Position	Asset Base and Operations	Commodity Exposure	Profitability	Financial Structure	Financial Flexibility
Corporacion Acciona Energias Renovables, S.A.	BBB-/Stable	+4	+2	0	+2	+3	+2	-1	-2	+1
ERG S.p.A.	BBB-/Stable	+3	+3	+1	+1	+2	+1	0	-1	+3
Fortum Oyj	BBB+/Stable	+4	+1	-2	-1	0	-1	-1	-1	0
Orsted A/S	BBB/Negative	+6	-1	+1	+1	+1	+1	-2	-1	+1
RWE AG	BBB+/Stable	+5	+1	-2	0	-1	0	-2	-1	+2
Statkraft AS	BBB+/Stable	+5	+1	-4	-1	+1	-2	-1	-1	+1

Source: Fitch Ratings

Factor Score Relative to IDR: Worse positioned than IDR / Within one notch of IDR / Better positioned than IDR

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Deterioration of the business profile, for example, due to delays to investments in renewables, lower-than-expected profitability of new assets or persistently depressed electricity prices
- Nuclear-adjusted FFO net leverage above 2.8x on a sustained basis

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- We do not anticipate an upgrade to the 'A' category. Upside is limited by RWE's business profile as an electricity generation utility with no networks and its sizeable thermal exposure. However, signs of a quicker shift to renewables, for example, with over 75% EBITDA contribution from quasi-regulated activities, while keeping leverage low, could lead to positive rating action

Liquidity and Debt Structure

At end-March 2025, RWE had EUR8.5 billion of cash and marketable securities. The company refinanced in May 2025 its EUR10 billion revolving credit facility in three facilities: EUR2 billion and EUR3 billion, each with five-year maturities, and EUR5 billion with a three-year maturity. Each facility additionally has a one-plus-one-year extension option at the company's discretion. These lines are fully available. This is sufficient to cover Fitch-expected negative FCF of EUR2.7 billion in 2025 and EUR4.7 billion in 2026, and bond maturities of EUR1.25 billion in 2025 and EUR1 billion in 2026.

RWE's 15% stake in E.ON (about EUR6 billion) would be a source of financial flexibility if RWE were to divest the stake, either in full or in part.

ESG Considerations

RWE has an ESG Relevance Score of '4' for 'GHG Emissions & Air Quality' and 'Energy Management'. ESG issues affect the ratings primarily through the presence of coal in RWE's generation fuel mix. These factors have a negative impact on the credit profile, and are relevant to the ratings in conjunction with other factors. However, RWE has been reducing its carbon footprint and is on a decarbonisation path, with a CO_2 neutrality goal set for 2040. RWE has agreed to exit coal in 2030.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, click here.

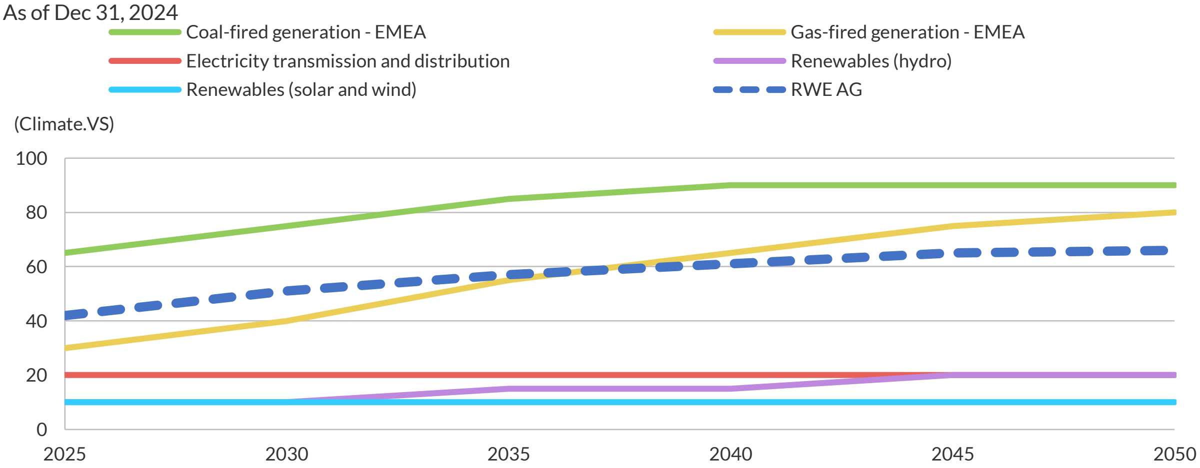
Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's Corporate Rating Criteria. For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Climate Vulnerability Signals for Non-Financial Corporate Sectors.

The 2024 revenue-weighted Climate.VS for RWE for 2035 is 51 out of 100, above the sector average, due to 25% of RWE's 2024 power generation being derived from coal-based power plants. At the moment, this exposure does not have a material impact on RWE's rating as Germany (where all RWE's coal-based power plants are) plans to phase out coal by 2030. In addition, RWE is continuously growing its renewables portfolio as part of its growing green energy segment. In 2024, the company started to report its coal and nuclear phase-out technologies as non-operating EBITDA.

Climate.VS Evolution

As of Dec 31, 2024



Source: Fitch Ratings

Liquidity and Debt Maturities

Liquidity Analysis

(EUR Mil.)	2025F	2026F
Available liquidity		
Beginning cash balance	11,941	7,018
Rating case FCF after acquisitions and divestitures	-2,688	-4,679
Total available liquidity (A)	**9,253**	**2,339**
Liquidity uses		
Debt maturities	-2,235	-1,303
Total liquidity uses (B)	**-2,235**	**-1,303**
Liquidity calculation		
Ending cash balance (A+B)	7,018	1,036
Revolver availability	10,000	10,000
Ending liquidity	**17,018**	**11,036**
Liquidity score (x)	8.6	9.5

Source: Fitch Ratings, Fitch Solutions, RWE AG

Scheduled Debt Maturities

(EUR Mil.)	December 31, 2024
2025	2,235
2026	1,303
2027	—
2028	749
Thereafter	9,913
Total	**14,200**

Note: For hybrids, the first call date is used.

Source: Fitch Ratings, Fitch Solutions, RWE AG

Key Assumptions

Fitch’s Key Assumptions Within Our Rating Case for the Issuer

- Installed capacity to increase to 57GW in 2027, comprising 26GW from wind and solar, 22GW from flexible generation and 8GW from coal
- Fitch-defined EBITDA of EUR3.5 billion in 2025, rising to EUR5.2 billion in 2027
- Average annual net capex of EUR6 billion over 2025-2027
- Average dividends of about EUR840 million a year over 2025-2027

Financial Data

(EUR Mil.)	2022	2023	2024	2025F	2026F	2027F
Summary income statement						
Gross revenue	38,366	28,566	24,224	25,435	26,707	28,042
Revenue growth (%)	56.4	-25.5	-15.2	5.0	5.0	5.0
EBITDA before income from associates	5,899	7,554	5,007	3,457	4,559	5,181
EBITDA margin (%)	15.4	26.4	20.7	13.6	17.1	18.5
EBITDA after associates and minorities	5,595	7,280	4,956	3,479	4,464	5,111
EBIT	4,452	7,642	4,472	1,500	2,156	2,620
EBIT margin (%)	11.6	26.8	18.5	5.9	8.1	9.3
Gross interest expense	-773	-946	-760	-673	-791	-831
Pretax income including associate income/loss	715	4,006	6,343	3,075	2,775	2,774
Summary balance sheet						
Readily available cash and equivalents	20,456	14,641	11,941	10,803	9,187	7,014
Debt	16,385	12,452	14,200	14,097	15,979	18,197
Net debt	-4,071	-2,189	2,259	3,294	6,792	11,183
Summary cash flow statement						
EBITDA	5,899	7,554	5,007	3,457	4,559	5,181
Cash interest paid	-773	-946	-664	-673	-791	-831
Cash tax	-437	-448	-755	-218	-373	-437
Dividends received less dividends paid to minorities (inflow/outflow)	-304	-274	-51	22	-95	-70
Other items before FFO	2,667	470	-937	343	281	324
FFO	7,408	7,190	3,106	3,275	3,932	4,530
FFO margin (%)	19.3	25.2	12.8	12.9	14.7	16.2
Change in working capital	-1,281	-1,209	959	1,566	-2,096	-1,147
CFO (Fitch-defined)	6,127	5,981	4,065	4,841	1,836	3,383
Total non-operating/nonrecurring cash flow	-4,127	-2,214	2,068	-804	-481	-1,159
Capex	-3,303	-5,146	-9,377	—	—	—
Capital intensity (capex/revenue) (%)	8.6	18.0	38.7	—	—	—
Common dividends	-609	-669	-744	—	—	—
FCF	-1,912	-2,048	-3,988	—	—	—
FCF margin (%)	-5.0	-7.2	-16.5	—	—	—
Net acquisitions and divestitures	-1,071	-3,671	-1,349	—	—	—
Other investing and financing cash flow items	-5,382	6,262	1,587	—	—	—
Net debt proceeds	7,179	-576	1,670	397	2,382	2,718
Net equity proceeds	2,349	-38	452	-945	-417	—
Total change in cash	1,163	-71	-1,827	-858	-304	-302
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-9,110	-11,700	-9,402	-7,528	-6,515	-8,489
FCF after acquisitions and divestitures	-2,983	-5,719	-5,337	-2,688	-4,679	-5,106
FCF margin after net acquisitions (%)	-7.8	-20.0	-22.0	-10.6	-17.5	-18.2
Gross leverage ratios (x)						
EBITDA leverage	2.9	1.7	2.9	4.1	3.6	3.6
FFO leverage	2.1	1.7	4.4	3.9	3.7	3.6
(CFO-capex)/debt (%)	17.2	6.7	-37.4	-7.6	-21.0	-16.9

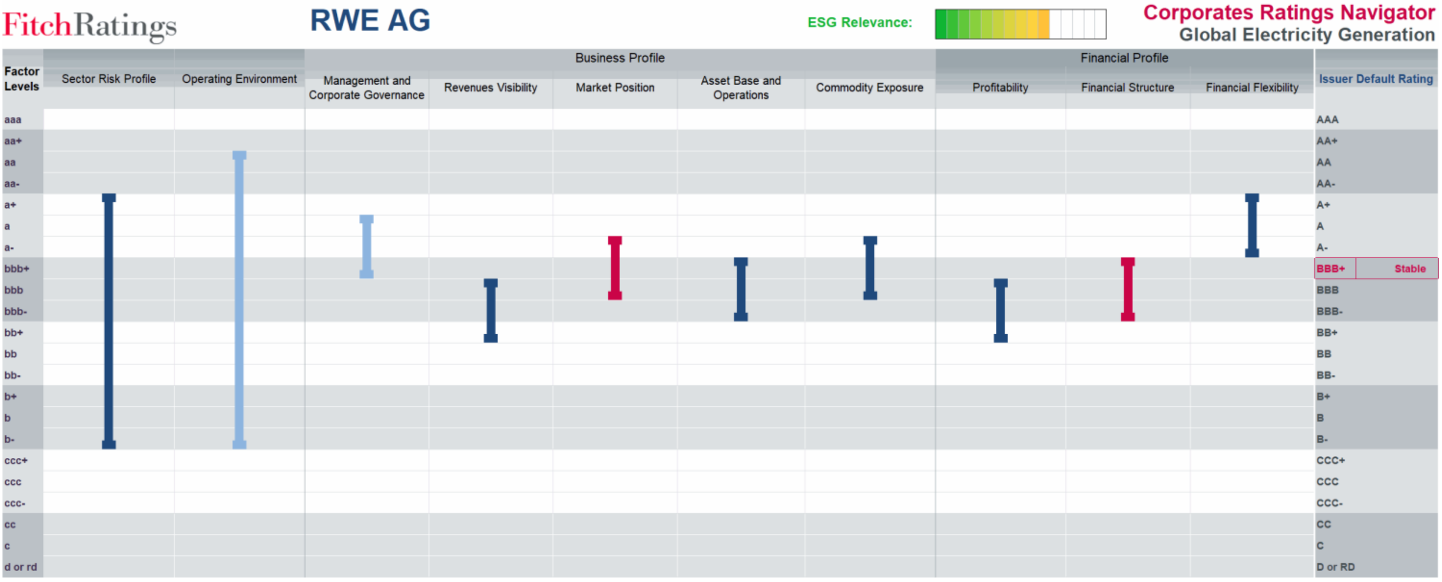
(EUR Mil.)	2022	2023	2024	2025F	2026F	2027F
Net leverage ratios (x)						
EBITDA net leverage	-0.7	-0.3	0.5	0.9	1.5	2.2
FFO net leverage	-0.5	-0.3	0.7	0.9	1.6	2.2
Nuclear-adjusted FFO net leverage (x)	0.2	0.4	1.9	1.9	2.1	2.6
(CFO-capex)/net debt (%)	-69.4	-38.1	-235.2	-32.7	-49.5	-27.5
Coverage ratios (x)						
EBITDA interest coverage	7.2	7.7	7.5	5.2	5.6	6.2
FFO interest coverage	10.1	7.7	4.9	5.4	5.5	6.0
FFO fixed-charge coverage	10.1	7.7	4.9	5.4	5.5	6.0

CFO – Cash flow from operations
Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:	
Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	⇧ Positive
Higher Importance	⇩ Negative
Average Importance	⇳ Evolving
Lower Importance	□ Stable

FitchRatings

RWE AG

Corporates Ratings Navigator
Global Electricity Generation

Operating Environment

aa+	Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.
aa	Financial Access	aa	Very strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
b-			
ccc+			

Management and Corporate Governance

a+	Management Strategy	a	Coherent strategy and good track record in implementation.
a	Governance Structure	a	Experienced board exercising effective check and balances. Ownership can be concentrated among several shareholders.
a-	Group Structure	bbb	Some group complexity leading to somewhat less transparent accounting statements. No significant related-party transactions.
bbb+	Financial Transparency	a	High quality and timely financial reporting.
bbb			

Revenues Visibility

bbb+	Contracted Position	bb	Moderate visibility under PPAs or incentives with short to medium (3 years) term residual life, with manageable merchant risk. 50% to 80% contracted or incentivised.
bbb	Contract Renewal Risk	bbb	Likely re-contracting prospects with similar to potentially moderately worse contractual terms.
bbb-	System / Capacity Payments	bbb	Less transparent or shorter duration market pricing structures with some risk of political interference proving medium term price visibility for power generators.
bb+	Degree of Supply Integration	b	Minimal supply integration. Significant long or short generation position.
bb	Resource Predictability	bbb	Stable and predictable capacity factor.

Market Position

a	Supply/Demand Dynamics	bbb	Moderately favorable outlook for prices. Balanced reserve margin with capacity addition pace matching demand growth. Supply/Demand balance aided by regulatory system mechanism.
a-	Competitive Position	bbb	Efficient generation with recurrent merit dispatch.
bbb+	Relative Size and Scale	a	Large scale operations with diverse generation asset base or company supplies more than 50% of electricity to the systems where it operates or strong competitive position in a localized market
bbb			
bbb-			

Asset Base and Operations

a-	Asset Quality and Diversity	bbb	Good single asset quality or partial diversification by geography and/or generation source.
bbb+	Exposure to Environmental Regulations	bb	Significant exposure to environmental regulations. Energy production largely deriving from thermal sources; high carbon exposure.
bbb	Capital and Technological Intensity of Capex	bbb	Moderate reinvestments requirements in established technologies.
bbb-			
bb+			

Commodity Exposure

a	Counterparty Risk	bbb	Diversified, medium counterparty risk or weighted average credit quality of actual and potential off-takers is in line with 'BBB' rating. Single 'BBB' rated off-taker under well-structured PPA.
a-	Costs Pass-Through and Supply Mix	bbb	Limited exposure to changes in commodity costs with ability to pass cost changes to end users. Low variable costs and moderate flexibility/certain of supply.
bbb+	Hedging Strategy	a	Strong portfolio/cash flow smoothing effects from extensive contractual hedge.
bbb			
bbb-			

Profitability

bbb+	Free Cash Flow	bb	Structurally moderately negative FCF across the investment cycle.
bbb	Cash Flow Predictability	bbb	Stability and predictability cash flow in line with peers.
bbb-			
bb+			
bb			

Financial Structure

a-	EBITDA Leverage	bbb	3.3x
bbb+	FFO Leverage	bbb	3.5x
bbb	FFO Net Leverage	bbb	3.0x
bbb-			
bb+			

Financial Flexibility

aa-	Financial Discipline	a	Clear commitment to maintain a conservative policy with only modest deviations allowed.
a+	Liquidity	a	No need for external funding beyond committed facilities in the next 12 months even under a severe stress scenario. Well-spread maturities. Diversified funding.
a	FFO Interest Coverage	a	5.5x
a-	DSCR		n.a.
bbb+	FX Exposure	bbb	Some FX exposure on profitability and/or debt/cash flow match. Effective hedging in place.

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Credit-Relevant ESG Derivation

RWE AG has 2 ESG rating drivers and 11 ESG potential rating drivers

- Emissions from operations
- Fuel use to generate energy and serve load
- Water used by hydro plants or by other generation plants, also effluent management
- Impact of waste from operations
- Plants' and networks' exposure to extreme weather
- Product affordability and access

Showing top 6 issues

			Overall ESG
key driver	0	issues	5
driver	2	issues	4
potential driver	11	issues	3
not a rating driver	1	issues	2
	0	issues	1

For further details on Credit-Relevant ESG scoring, see page 3.

FitchRatings

RWE AG

Corporates Ratings Navigator
Global Electricity Generation

Credit-Relevant ESG Derivation

RWE AG has 2 ESG rating drivers and 11 ESG potential rating drivers

- RWE AG has exposure to emissions regulatory risk which, in combination with other factors, impacts the rating.
- RWE AG has exposure to energy productivity risk which, in combination with other factors, impacts the rating.
- RWE AG has exposure to water management risk but this has very low impact on the rating.
- RWE AG has exposure to waste & impact management risk but this has very low impact on the rating.
- RWE AG has exposure to extreme weather events but this has very low impact on the rating.
- RWE AG has exposure to access/affordability risk but this has very low impact on the rating.

Showing top 6 issues

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	2	issues	4
potential driver	11	issues	3
not a rating driver	1	issues	2
	0	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	4	Emissions from operations	Asset Base and Operations
Energy Management	4	Fuel use to generate energy and serve load	Asset Base and Operations; Commodity Exposure; Profitability
Water & Wastewater Management	3	Water used by hydro plants or by other generation plants, also effluent management	Asset Base and Operations; Profitability
Waste & Hazardous Materials Management; Ecological Impacts	3	Impact of waste from operations	Asset Base and Operations; Profitability
Exposure to Environmental Impacts	3	Plants' and networks' exposure to extreme weather	Asset Base and Operations; Profitability

E Relevance: 5, 4, 3, 2, 1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	3	Product affordability and access	Asset Base and Operations; Revenues Visibility; Profitability
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Quality and safety of products and services; data security	Asset Base and Operations
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Asset Base and Operations; Profitability
Employee Wellbeing	2	Worker safety and accident prevention	Asset Base and Operations
Exposure to Social Impacts	3	Social resistance to major projects that leads to delays and cost increases	Asset Base and Operations; Revenues Visibility; Profitability; Financial Structure

S Relevance: 5, 4, 3, 2, 1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance; Financial Structure
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance; Commodity Exposure
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance

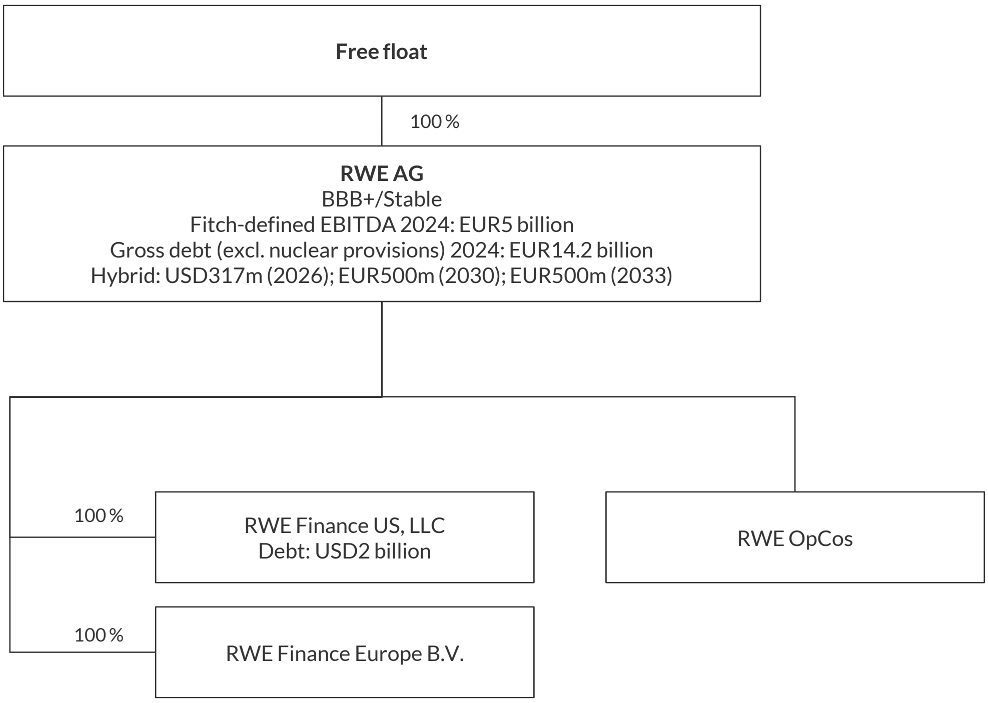
G Relevance: 5, 4, 3, 2, 1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.
The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?	
5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram



Note: For hybrids, the first call date is presented. Bonds issued by RWE Finance US, LLC and RWE Finance Europe B.V. are guaranteed by RWE AG
Source: Fitch Ratings, RWE AG as at August 2025

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	EBITDA (EURm)	FFO (EURm)	FCF after acquisitions and divestitures (EURm)	FFO interest coverage (x)	FFO net leverage (x)
RWE AG	BBB+						
	BBB+	2024	5,007	3,106	-5,337	4.9	0.7
	BBB+	2023	7,554	7,190	-5,719	7.7	-0.3
	BBB+	2022	5,899	7,408	-2,983	10.1	-0.5
Statkraft AS	BBB+						
	A–	2024	2,803	1,092	-2,945	6.1	3.5
	A–	2023	3,832	1,481	-2,290	13.7	0.6
	A–	2022	5,285	3,940	2,030	42.6	-0.5
Fortum Oyj	BBB+						
	BBB	2024	1,530	1,277	950	5.7	0.3
	BBB	2023	1,881	1,498	2,063	7.0	0.8
	BBB	2022	2,004	1,875	543	10.0	1.7
ERG S.p.A.	BBB–						
	BBB–	2023	520	471	220	50.9	3.0
	BBB–	2022	502	405	744	14.9	3.5
Corporacion Acciona Energias Renovables, S.A.	BBB–						
	BBB–	2024	996	476	-907	3.2	5.4
	BBB–	2023	1,147	629	-1,984	6.0	4.5
	BBB–	2022	1,496	1,131	126	18.9	1.7

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

(EUR Mil., as of December 31, 2024)	Standardised values	Preferred dividends, associates and minorities cash adjustments	Lease treatment	Other adjustments	Adjusted values
Income statement summary					
Revenue	24,224	—	—	—	24,224
EBITDA	5,319	—	-312	—	5,007
Depreciation and amortization	-2,119	—	225	1,359	-535
EBIT	3,200	—	-87	1,359	4,472
Balance sheet summary					
Debt	15,740	—	—	-1,540	14,200
Of which other off-balance-sheet debt	—	—	—	—	—
Lease-equivalent debt	—	—	—	—	—
Lease-adjusted debt	15,740	—	—	-1,540	14,200
Readily available cash and equivalents	11,941	—	—	—	11,941
Not readily available cash and equivalents	—	—	—	—	—
Cash flow summary					
EBITDA	5,319	—	-312	—	5,007
Dividends received from associates less dividends paid to minorities	-262	—	—	211	-51
Interest paid	-751	—	87	—	-664
Interest received	506	—	—	—	506
Preferred dividends paid	—	—	—	—	—
Cash tax paid	-755	—	—	—	-755
Other items before FFO	-1,110	—	—	173	-937
FFO	2,947	211	-225	173	3,106
Change in working capital	3,411	—	—	-2,452	959
CFO	6,358	211	-225	-2,279	4,065
Non-operating/nonrecurring cash flow	—	—	—	2,068	2,068
Capex	-9,377	—	—	—	-9,377
Common dividends paid	-744	—	—	—	-744
FCF	-3,763	211	-225	-211	-3,988
Gross leverage (x)					
EBITDA leverage	3.1	—	—	—	2.9
FFO leverage	4.9	—	—	—	4.4
(CFO-capex)/debt (%)	-19.2	—	—	—	-37.4
Net leverage (x)					
EBITDA net leverage	0.8	—	—	—	0.5
FFO net leverage	1.2	—	—	—	0.7
(CFO-capex)/net debt (%)	-79.5	—	—	—	-235.2
Coverage (x)					
EBITDA interest coverage	6.7	—	—	—	7.5
FFO interest coverage	4.3	—	—	—	4.9

CFO – Cash flow from operations
Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region. Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.
Debt includes other off-balance-sheet debt.
Debt in the standardised values column excludes lease liabilities of EUR2231 million.
Source: Fitch Ratings, Fitch Solutions, RWE AG

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.