



Interim statement on the first quarter of 2021

Telephone press conference

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Speech by Michael Müller, CFO of RWE AG

Check against delivery

Ladies and Gentlemen,

Welcome to our telephone press conference on the first quarter of 2021.

Before we come to the results for the first quarter, I'd like to say a few words about Covid-19: The pandemic is still very high on our agenda.

As a part of the critical infrastructure, protecting our employees is our top priority. We are using mobile working as much as possible, we're testing our employees, and we're prepared for the possibility of having vaccinations carried out by our company doctors.

We hope to be allowed to start vaccinating very soon.

Ladies and Gentlemen,

That brings me to our results for the first quarter:

By the end of March, we achieved adjusted EBITDA of EUR 883 million. The figure for the first quarter of 2020 was EUR 1.3 billion.

There are two main reasons for the decline in earnings:

- Firstly, the losses caused by the worst cold snap in a century and the icy rain in Texas.
- And secondly, the much lower wind volumes in Northern and Central Europe: They were higher than average in the first quarter of last year, but below the average in the first three months of 2021.

Adjusted EBIT fell from EUR 967 million in the first quarter of 2020 to EUR 548 million this year.



After a figure of EUR 614 million last year, our adjusted net income fell to EUR 340 million.

These results are in line with the outlook we released in March.

Thus, we uphold the earnings forecast for the current year:

- We expect adjusted EBITDA of between EUR 2.65 billion and EUR 3.05 billion in 2021.
- Our target for adjusted EBIT is between EUR 1.15 billion and EUR 1.55 billion.
- And for adjusted net income, our target is between EUR 0.75 billion and EUR 1.1 billion.
- We aim to increase our dividend to 90 euro cents per share.

And now to the segments in detail:

In the Offshore Wind segment, we achieved adjusted EBITDA of EUR 297 million, compared to EUR 431 million last year. The key factor here was the much lower wind volume, which I just mentioned.

The events in Texas resulted in losses for the Onshore Wind/Solar segment in the first quarter. Adjusted EBITDA was minus EUR 119 million. The lower wind volumes also had an impact. In the same quarter last year, we achieved adjusted EBITDA of EUR 221 million.

In the Hydro/Biomass/Gas segment, our adjusted EBITDA of EUR 213 million was at the previous year's level. For the first quarter of 2020 it was EUR 217 million.

The Supply & Trading segment once again recorded a very strong performance. Adjusted EBITDA of EUR 189 million exceeded last year's very good result of EUR 170 million.

In the fifth segment we pool our activities in the areas of coal and nuclear energy. Here, we achieved adjusted EBITDA of EUR 328 million for the first three months of the year, compared to EUR 282 million for the same period in 2020. The improved earnings performance can be attributed mainly to higher electricity margins. We had already sold forward our production in the previous years.



Our financial situation improved once again. Net debt was down to EUR 2.8 billion. This was mainly due to temporary effects from our hedging transactions and a decline in provisions for pensions as a result of increased interest rates.

Our equity ratio increased again, from 29% at year-end to 31% now.

The ratings agencies Fitch and Moody's have acknowledged our strong financial situation and our strategy. Both raised our ratings by one notch. RWE is thus stable within the Investment Grade range.

Ladies and Gentlemen,

RWE focuses on value-accretive growth.

We are investing billions of euros in expanding our portfolio of wind power and solar plants, as well as battery storage systems.

In the first quarter of 2021 alone, we more than doubled our capital expenditure compared to the same period last year.

By the end of 2022, we aim to expand our installed capacity to more than 13 gigawatts.

A glance at recent weeks shows how well we are progressing:

- We have put a new onshore wind farm into operation in Sicily. Alcamo Due is an example of our integrated business model: We are responsible for every stage from construction through to operation. And we bring the green electricity to market. It's delivered directly to Italian paper maker Sofidel, with whom we've entered into a long-term power purchase agreement. "PPAs" such as this one show how climate protection is possible under market conditions. And this goes for every sector.
- Two weeks ago we entered into a partnership with Volkswagen: Through PPAs, the automotive group will support the construction of new wind farms and solar power plants throughout Europe in the future – green electricity for green cars.
- In Kerkrade, our first solar farm in the Netherlands has been on the grid since this spring. And in Ireland, our first European battery storage facility that can offset short-term grid fluctuations has begun operations.



- We're investing in renewables right on our doorstep in the Rhenish region. A new wind farm in Jüchen will be completed this summer.
- And on the edge of the Inden opencast mine, we plan to start on the construction of a solar farm and battery storage facility before the end of the year. Recently we succeeded with our proposal for this in the German Federal Network Agency's tender for innovations.

By the end of the year, we will have put 2 gigawatts into operation.

That includes onshore wind farms in the US, France and Poland, our solar farm in Australia, and our combined solar/storage project in Georgia in the United States.

Our two offshore wind farms, Triton Knoll and Kaskasi, among other projects, will then follow in 2022.

And we are also already securing further growth after 2022: We're on track with our large-scale offshore projects, Sofia in Great Britain and Baltic 2 in Poland.

Thanks to our success in the British offshore auction for sea bed leases, we've secured further potential for expansion on Dogger Bank.

A well filled project pipeline is essential in continuing to make progress on the expansion of renewables.

Ours, built up in recent years, comprises more than 30 gigawatts. That's a strong starting point for further solid and profitable growth.

Ladies and Gentlemen,

In addition to renewables, we're also focusing on hydrogen.

In Germany, the Netherlands and Great Britain, we're working with partners to forge ahead with about 30 major hydrogen projects.

The most advanced of these is GET H2: An initiative by 35 companies to kick-start the development of a hydrogen infrastructure in Germany.

RWE is planning a 100-megawatt electrolysis facility in Lingen. We made it into the second round of the application process for the EU Innovation Fund: The decision on funding is expected this year.



A positive outcome could have green hydrogen being supplied from Lingen to the Ruhr district, starting in 2024.

We're also looking for partners beyond Europe, and with this in mind we have entered into collaborations with two Australian companies:

- H2U is planning to produce green hydrogen in Australia and New Zealand.
- Woodside is one of the largest producers of LNG in Australia, and wants to use its infrastructure for hydrogen too in the future.

RWE contributes its expertise as a global trader in commodities to these partnerships. Together, we want to develop hydrogen trading.

That's why we're also participating in the HySupply project. This joint German-Australian study is investigating what's needed in order to establish hydrogen trading between the two countries.

Ladies and Gentlemen,

RWE is one step ahead of many companies when it comes to transformation. What we have achieved in recent years – namely a successful fundamental realignment – is what others still have to tackle.

We want to share this experience with others even more in future, as a partner to industry.

Achieving CO₂-free production must be a success, while at the same time maintaining the competitiveness of the industrial location. We bring our expertise to the table to achieve this.

With our product – green electricity and in future also green hydrogen – and our expertise in the energy markets, decarbonisation of the other sectors, especially within industry, will succeed.

Ladies and Gentlemen,

The topic of sustainability continues to gather momentum.

The transformation to a sustainable society is no longer seen as being in conflict with economic growth and prosperity.

Quite the opposite: Transformation can create new momentum.



That's also good for RWE. After all, decarbonisation can succeed only if there is stronger and faster expansion of renewable energies.

Decarbonisation and sustainability are therefore key elements of our corporate strategy and our corporate culture.

So it's only logical that we've expanded our goal of being carbon-neutral by 2040 to cover all our corporate activities – Scope 1, 2 and 3 – and all greenhouse gases.

Previously we had been concentrating solely on CO₂ emissions in electricity generation.

We'll be looking very closely at all our activities – purchasing, facility management and business trips, to name just a few examples.

“Our energy for a sustainable life”: We've quite deliberately adopted that purpose to challenge ourselves.

Sustainability has also long become a yardstick for investors, “sustainable finance” being the key concept here.

What does this mean for RWE?

First: We are investing in environmentally sustainable projects – in line with the EU taxonomy.

This catalogue of criteria is at the heart of the European action plan “Financing Sustainable Growth”, with which the EU wants to create a binding classification system for environmentally sustainable economic activity and thus direct capital into green activities and financial products.

Last year 84%, i.e. by far the largest share, of our investments already satisfied these criteria for sustainable investments.

And we're continuing to follow this path rigorously: In the first three months of this year, that figure was more than 90%.

We've made investments of almost EUR 1 billion in wind power and solar plants, as well as battery storage systems. That's more than double the amount we invested in the same period last year.

Second: For part of our syndicated credit line, we've agreed on sustainability criteria with the participating banks for the first time – on our initiative.



Third: The ratings agencies Moody's and Fitch have raised their ratings in response to our strong operating performance and the progress we've made in implementing our strategy with a focus on renewables.

That clearly shows how thoroughly the subject of sustainability impacts on our company as a whole.

Ladies and Gentlemen,

We deliver what we've promised.

That's clear from our performance in the first three months.

- We confirm our forecast for the current fiscal year, and the planned increase in our dividend.
- We have a strong financial base for further profitable growth.
- And we're forging ahead with the transformation of RWE, and are investing billions of euros in sustainable projects.

And I now look forward to taking your questions.

Forward-looking statements

This speech contains forward-looking statements. The statements reflect the current assessments, expectations and assumptions of the management and are based on the information available to the management at the current time. Forward-looking statements provide no assurance that future events or developments will occur and are subject to known and unknown risks and uncertainties. As a result of various factors, actual future events and developments may differ materially from the expectations and assumptions expressed in this publication. In particular, these factors include changes in the general economic environment and the competitive situation. Above and beyond this, developments on the financial markets, fluctuations in exchange rates, changes to national and international law, especially with regard to tax regulations, and other factors can influence the future results and performance of the Company. Neither the Company nor any of its associated companies undertake to update the statements contained in this speech.