



Interim report on the first three quarters of 2022  
Telephone press conference  
Essen, 10 November 2022; 10:00 CET  
Speech of Dr Michael Müller, CFO of RWE AG

### Check against delivery

Ladies and Gentlemen,

A warm welcome from me, too.

Autumn has been mild so far, which is good for energy supply in Europe. Gas that isn't used now can remain in storage, and this will support supply in the coming months.

But this should not lull anyone into a false sense of security. The situation is still very serious. The next two winters will be hard – for our country, its people, its businesses, and its entire industrial landscape.

Everything that can help save gas and secure our supply of electricity is needed now.

The German government and parliament have taken a whole series of necessary decisions in this regard, which was both important and the right thing to do. There are two things in particular that must be done in parallel, and very urgently.

First:

Increase the energy supply in the short term. Everything that can go on the grid is needed now.

Second:

Invest our way quickly out of the crisis. Concerns about security of supply and high prices are the result of an energy infrastructure that has seen no growth for a number of years. In Germany, in particular, discussion has for far too long been exclusively around switching off rather than switching on.

Now, investment in green technologies has to happen fast – in wind power, solar, batteries, hydrogen, and hydrogen-ready gas-fired power stations.



RWE is providing support in both the short and long term.

We are assisting directly with the following:

- With the two floating LNG terminals (FSRUs, Floating Storage and Regasification Units) that we chartered for the German government. In Brunsbüttel and Lubmin, we are focusing on developing the infrastructure for these special vessels.
- The first FSU is expected to arrive in Brunsbüttel in December. The first gas will be fed into the German system there before the end of this winter. We have signed a supply agreement for LNG with Abu Dhabi National Oil Company.
- On the power side, we have returned three lignite-fired power stations to the market from standby reserve, each with a capacity of 300 megawatts.
- Two 600-megawatt units, which were originally meant to be decommissioned at the end of this year, will continue to run until 2024. These will help to save gas in electricity supply.
- And our Emsland nuclear power station will go into stretch-out operation until April of next year.  
This will enable us to produce an additional 1.7 terawatt hours of electricity there.

In the long term, we will make a major contribution towards investing our way out of the crisis:

RWE alone has EUR 15 billion gross available for capital investment in Germany until 2030. We want to turn every renewables project that's possible into reality.

One important project in Germany, for example, is our Kaskasi offshore wind farm, which is currently under construction. Two thirds of the turbines are already producing electricity. Our goal is to have all turbines installed and ready for operation before the end of the year.

The energy crisis is keeping us very busy. But we at RWE are continuing to focus rigorously on our transformation. We are cutting no corners as we work towards reducing our carbon emissions as much as possible and as fast as possible.

Because of the crisis, there will be a rise in carbon emissions in the short term. Not only here but throughout Europe. Those emissions will have to be saved again in the long term.



RWE has therefore declared its willingness to phase out coal by as early as 2030. That's eight years earlier than current legislation stipulates. We are phasing out coal-fired electricity generation in the west of Germany in half the time. The coal phase-out is an important milestone for climate protection in Germany. For RWE, this forms the basis for getting onto the 1.5-degree path.

To be able to turn coal off that quickly, we need to expand our climate-friendly capacity hugely in the space of eight years. This requires a massive build-out of wind and solar power plants, storage facilities and additional secured capacity in the form of state-of-the-art hydrogen-ready gas-fired power plants.

The energy transition now needs to be accelerated. We have made a clear commitment to this.

The expansion of renewables is therefore part of the agreement with policy-makers. RWE has agreed to build one gigawatt of green capacity in North Rhine-Westphalia alone.

There are also plans to build hydrogen-ready gas-fired power stations with a capacity of around three gigawatts if the appropriate framework is in place. Policy-makers have given their assurance that this will be the case.

To ensure that electricity supply continues to be secure beyond 2030, the German government has the additional option of deciding by no later than 2026 whether the last lignite-fired power plants, which will then account for capacity of about 3.6 gigawatts, will be put on standby until the end of 2033.

The accelerated exit from coal is a clear acknowledgement of our strategy, and our purpose: Our energy for a sustainable life.

That applies far beyond Germany. After all, we are a global company that is striving to significantly expand its green business internationally.

Besides Europe and the UK, the US is also one of our core regions.

A few weeks ago we announced the purchase of Con Edison Clean Energy Businesses for USD 6.8 billion. This means that Team RWE in the US will grow by some 500 new employees.

This transaction is a milestone for RWE, and underlines our growth ambitions in the United States.



This makes RWE the No. 4 renewable energy company and the No. 2 solar operator in the United States.

RWE's current business in North America and that of Con Edison Clean Energy Businesses complement each other perfectly: We already enjoy a very good position there in terms of onshore wind while Con Edison is particularly strong in the area of solar.

Both portfolios are also an excellent match on account of their different regional focuses. We will be represented in most US states in future.

This acquisition doubles the size of our US portfolio at a single stroke, to more than seven gigawatts.

And it expands our project pipeline to more than 24 gigawatts.

That means RWE has one of the largest development platforms for renewables in the US.

That's a huge boost for our business.

The US is one of the most attractive and fastest-growing markets for renewables. We are experiencing the start of a process of reindustrialisation there.

The consequence is a growing demand for energy. And that's something that green technologies in particular will benefit from. The Inflation Reduction Act makes a particularly important contribution here. It sets a stable and reliable ten-year framework for investments in green energy.

So our acquisition has come at exactly the right time. And it comes on top of the more than EUR 50 billion gross that we want to invest by the end of the decade in accordance with our Growing Green strategy.

RWE is thus continuing to grow – and even faster than announced a year ago.

That brings me to our results for the first three quarters of 2022.

At Group level, we achieved adjusted EBITDA of EUR 4.1 billion. As expected, this is well up on the prior year. Our adjusted net income, at EUR 2.1 billion, is also better than in the previous year.

All segments of our green core business contributed to this strong operational performance, especially our highly successful global Supply & Trading business and our European hydro/biomass/gas activities.



That means our strong earnings were generated by our strong international business. In our German coal and nuclear energy business, our earnings were lower than in the prior year. We had already sold forward our electricity production at lower prices before the war in Ukraine.

We therefore confirm our outlook for fiscal 2022:

For adjusted EBITDA at Group level we are expecting between EUR 5 billion and EUR 5.5 billion. And for adjusted net income, we are assuming a range of EUR 2.1 billion to EUR 2.6 billion.

We also confirm our planned dividend of 90 euro cents per share.

We are making good progress with the implementation of our Growing Green strategy.

Our international renewables portfolio is growing:

In the first nine months we connected 16 new wind and solar power plants as well as batteries to the grid, with a total capacity of about 1.3 gigawatts.

In Poland we also acquired a 10-gigawatt solar project pipeline in late summer with the purchase of developer Alpha Solar. In parallel with the expansion of our green portfolio, we are forging ahead in the areas of innovation and sustainability:

- At our Rea wind farm in north-eastern Spain, we are using material-saving soft-spot foundations for the first time.
- In the Netherlands we are testing black rotor blades to find out whether the paint helps birds to fly more safely between the turbines.
- As part of a repowering project in Emsland, we are testing the installation of a wind turbine on a prefabricated foundation. The benefits are obvious: less need for steel and concrete, and a shorter construction period.
- At the Hamm and Neurath power stations, we plan to implement an innovative battery storage project with a total capacity of 220 megawatts. The system can call up this capacity within seconds to contribute to grid stability and security of supply. We are also networking the batteries virtually with our entire German power plant fleet.



We are satisfied with our earnings performance in the first three quarters of the year.

In our core business, comprising the segments of Offshore Wind, Onshore Wind/Solar, Hydro/Biomass/Gas and Supply & Trading, adjusted EBITDA totalled EUR 3.5 billion at the end of September. For the year as a whole, we expect adjusted EBITDA of between EUR 4.3 billion and EUR 4.8 billion.

Now a brief look at the various segments in detail:

In the Offshore Wind segment, we achieved adjusted EBITDA of EUR 859 million. Our earnings performance, which improved by about EUR 200 million, was determined substantially by new capacities and higher wind volumes compared to the prior year. For this segment we continue to expect adjusted EBITDA of between EUR 1.35 billion and EUR 1.6 billion for the year as a whole.

In the Onshore Wind/Solar segment adjusted EBITDA was EUR 649 million. In the previous year's period, earnings were much lower due to the losses of EUR 400 million in Texas. Good wind conditions and additional wind farms enabled us to produce more electricity this year. Our outlook for the segment assumes earnings of between EUR 0.9 billion and EUR 1.1 billion.

In the Hydro/Biomass/Gas segment, we achieved adjusted EBITDA of EUR 1.2 billion. That's about EUR 700 million more than in the previous year. The higher revenues are the result of short-term asset optimisation in the UK and the Netherlands, and higher international generation margins. By contrast, the fact that our Dutch gas-fired power plant Claus C was shut down for several months had a negative impact, and low water levels meant reduced availability for our run-of-river stations. For the year as a whole, we expect adjusted EBITDA of between EUR 1.4 billion and EUR 1.7 billion in this segment.

At Supply & Trading, our adjusted EBITDA of EUR 942 million once again exceeded last year's already strong earnings, mainly due to international trading activities.

That's all regarding developments in our core business.

At EUR 633 million, adjusted EBITDA in the Coal/Nuclear segment was lower than in the same period last year, as mentioned previously.



For the year as a whole, our earnings for the segment will be between EUR 650 million and EUR 750 million.

Despite our fast growth and high level of investment, the financial situation at RWE is very sound.

In the first nine months alone, we invested more than EUR 3 billion in green technologies. That emphasises once again that RWE is delivering in terms of making the energy supply more independent and climate-neutral.

Ladies and Gentlemen,

The enormous pace at RWE and the highly dynamic nature of the energy crisis place heavy demands on our employees. They are dealing with these challenging tasks very successfully. That's clear from the results in the first three quarters. So I'd like to express my thanks to them for doing a top-class job.

The challenges will not become any smaller in the coming months. This applies to the economy, policy-making and society in equal measure. The key thing for the country is to get through the next two winters reliably and safely. It's good that policy-makers have done a lot of preparation in that regard.

It's important that measures are pragmatic and quick to implement. Interference in proven market-driven systems should be avoided. Where policy-makers consider it absolutely necessary, any intervention should be limited to the duration of the crisis.

It's also important for businesses to maintain their power to invest – for example to enable the expansion of wind and solar power plants, batteries, grids and flexible back-up capacities to progress. That's the only way for Germany and Europe to invest their way out of this energy crisis quickly.

The size of the task must not be underestimated. The transition of our energy supply system will require vast amounts of money, the bulk of which will have to come from private companies. And for that to happen, the framework conditions for investors must remain attractive and reliable.



Here at RWE, we are prepared to continue investing massively in the world of state-of-the-art green energy. We have the right strategy in place to do this, and an excellent team that is pressing ahead with passion on its implementation.

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.