

Check against delivery

Ladies and gentlemen,

A warm welcome to our half-year press conference. Thank you for accepting our invitation.

We would like to give you an overview of where RWE stands at the middle of the year and how we assess the conditions for our business. One constant in all our core markets is the expectation of dynamically rising electricity demand. The electrification of industry and society is advancing. Artificial intelligence is developing rapidly. These are key drivers for our business.

According to a forecast by the International Energy Agency, the global electricity demand from data centres alone will more than double by 2030, reaching 945 terawatt hours per year. By way of comparison, that is more than the entire electricity consumption of Japan today.

These are good prospects for an electricity producer.

At the same time, however, the investment environment remains challenging. Geopolitical tensions and tariff risks are creating uncertainty. Of course, this also applies to the energy industry. In addition, higher interest rates and bottlenecks in supply chains are making capital-intensive investments more expensive in general.

This makes reliable and appropriate framework conditions all the more important.

With regard to new projects, the future investment environment is increasingly taking shape in all of our core markets: the United Kingdom, Germany and the United States. I will come back to this later.

However, investment discipline will remain a valuable asset in the future. Projects will only be implemented if the returns are right and the risks are manageable. This pays off and this can also be seen in our half-year figures. We can look back on a good first half year:

In the first six months, we achieved adjusted EBITDA of €2.1 billion. And adjusted net income of €775 million. Adjusted earnings per share amounted to €1.06 – meaning we have achieved 50% of our full-year target.

Overall, as announced at the beginning of the year, the half-year results are lower than in the same period last year.

In the Flexible Generation and Supply & Trading segments, as expected we were unable to match the very good earnings performance of 2024. In addition, unfavourable wind conditions in Europe led to a decline in electricity production from offshore and onshore wind farms, which resulted in lower earnings.

The commissioning of new wind turbines, solar parks and battery storage facilities since mid-2024 had a positive impact. These have a total capacity of 2.1 gigawatts, of which over 700 megawatts were added in the first half of the year.

We therefore confirm our full-year earnings forecast. We continue to expect adjusted EBITDA for this year to be between € 4.55 billion and €5.15 billion. We forecast adjusted net income at between €1.3 billion and €1.8 billion.

Our dividend target for the current financial year is also clear: we want to pay out €1.20 per share – once again, that's €0.10 more.

In addition, we're sticking to our medium- and long-term earnings targets: We want to achieve adjusted earnings per share of €3 in 2027. And increase this to €4 per share by 2030.

Michael Müller will now explain the operational developments of the last few months and the financial figures in detail.

Michael Müller:

Thanks, Markus. A warm welcome from me, too.

In the first six months of this year, we generated 2% more electricity than in the same period last year. Due to weak wind conditions in our core European markets, less electricity was generated from wind, while at the same time our gas-fired power stations were utilised more. The commissioning of new wind and solar plants, particularly in the United States, also had a positive impact on production volumes.

This demonstrates the advantages of our integrated, regionally diversified portfolio of renewables and flexible generation.

Despite low wind levels in Europe and the poor performance of the Supply & Trading segment, we achieved a good result in the first half of the year. We had expected our earnings to be below the high level of the previous year and had factored this into our forecast for the full year.

Let's take a closer look at the individual segments:

In the Offshore Wind segment, we achieved adjusted EBITDA of €643 million in the first six months. This is below the previous year's figure. The main reason for this was the significantly poorer wind conditions compared to 2024. Furthermore, proceeds on forward sales of electricity for which we don't receive a guaranteed price were lower than in 2024. The construction of our offshore projects Sofia, Thor and Nordseecluster is fully on track – a testament to the performance of our teams and our partners:

In mid-July, we successfully completed the erection of all 100 foundations for Sofia. At the same time, installation of the turbines has been underway since March. 36 wind turbines have already been completed. Sofia is expected to generate its first electricity and feed it into the grid before the end of this year.

Installation of the foundations for our Danish wind farm Thor began at the end of April – more than half of the total 72 foundations are now in place. And at Nordseecluster, which we are constructing in two phases – A and B – work to install the foundations has been ongoing since the beginning of August. For phase A, four of 44 are now complete.

Close collaboration with our partners and early securing of essential components and services are decisive success factors in offshore wind projects. This also holds true for the operation and maintenance of our plants. We have recently concluded long-term charter agreements with North Star for state-of-the-art service vessels. In a challenging market environment, this agreement secures ship capacity that is essential for the successful operation and maintenance of our growing offshore wind portfolio. A total of four of these ships will be available to us in the future – the first two from the end of 2026, and two more from 2028 and 2029 respectively.

Let's look at the Onshore Wind/Solar segment. Here, we achieved adjusted EBITDA of €830 million – around €100 million more than in the previous year. This was despite weaker wind conditions in Europe. The main reason for the improvement in earnings was the commissioning of new plants in the United States and Europe. Since mid-2024, Around 500 megawatts were added in onshore wind and around 1.2 gigawatts in photovoltaics. And we continue to grow. At the beginning of July, our first UK solar project was commissioned: Langford. It is the first of thirteen projects we are currently implementing in the United Kingdom.

As expected, the Flexible Generation segment reported lower adjusted EBITDA of €595 million. We had already factored the decline in earnings due to lower margins from forward electricity sales into our segment forecast at the beginning of the year. I would like to highlight our business with utility-scale batteries here. They are becoming increasingly important for the energy transition. We recently achieved an important milestone in the Netherlands: we commissioned an inertia-ready battery energy storage system on the site of our power plant in Moerdijk. It responds particularly quickly to grid fluctuations and helps stabilise the power frequency – a task that has previously been performed mainly by conventional power plants.

Finally, let's look at the Supply & Trading segment: Here, we achieved adjusted EBITDA of €16 million in the first six months. The decline compared with the previous year is attributable to the weak performance in proprietary trading. However, we remain on track to close the full year within the range of €100 million to €500 million.

So that's our existing business. Let's now turn to our future business.

We currently have 11.2 gigawatts of new capacity under construction. More than 3 gigawatts of this will be commissioned by the end of the year alone. In the first six months, a total of 2.5 billion euros net was invested in the expansion.

We have brought partners on board for our offshore projects and are sharing the investment: TotalEnergies for OranjeWind, Masdar for Dogger Bank South, and Norges Bank Investment Management for Thor as well as Nordseecluster.

Norges Bank has also adjusted its investment policy. We are delighted that the Norwegian sovereign wealth fund is once again investing directly in RWE. This yet again demonstrates the success of our transformation.

We are progressing according to plan with the implementation of our ongoing share buyback programme of €1.5 billion. We had repurchased the first tranche by the end of May, and the second tranche is now underway. We also expect this to take six months. The final stage of the programme should then be completed by the end of May 2026. We have earmarked €500 million per tranche.

Despite our high growth investments, we have a strong balance sheet and a stable investment-grade rating. The rating agency Fitch has just confirmed our BBB+ rating with a stable outlook.

In June, we issued a hybrid bond on attractive terms. The two tranches of €500 million each were more than 10 times oversubscribed. 50% of the hybrid bond is classified as equity by the rating agencies, thereby further strengthening our capital base.

Our equity ratio at mid-year was 37 per cent.

This strong financial position gives us the necessary headroom to consistently drive forward our profitable growth and increase earnings per share.

And with this, back to you, Markus.

Markus Krebber:

Ladies and gentlemen,

Global developments are undoubtedly challenging. However, I remain confident about the development of RWE.

Our broadly diversified portfolio, both regionally and technologically, puts us in a strong position. And the forecast long-term rise in electricity demand makes our business strategically attractive. In addition, the future investment environment is increasingly taking shape and will offer attractive investment opportunities in the future. And we at RWE are well prepared to take advantage of these opportunities.

Let me explain this by looking at our core markets. Let's start with the United Kingdom, one of our most important markets.

The UK government has the clear goal to continue pushing ahead with the expansion of renewables. It is also aware of the importance of stable investment conditions. For example, the decision to retain a uniform national electricity pricing system. This was an important step and it was the right decision to reject requests to the contrary.

We have seen similar discussions in Germany. In both cases, a division into different price zones would probably lead to years of uncertainty about future regional pricing. The consequence: Further investments would be postponed. By taking this decision, the UK government has ensured a secure and stable environment for future investment.

The current auction round for renewables, especially offshore wind, is also positive. Companies can obtain two-sided contracts for difference for renewable energy projects in this auction. These guarantee fixed electricity prices and thus create planning security for the construction of new projects.

Against the backdrop of the failed German offshore auction, it is worth taking a look at the UK. In times of higher interest rates and inflation, the UK government has further improved the conditions: The terms of the contracts for difference have been extended from 15 to 20 years. The strike prices have been raised. The agreed electricity prices will continue to be adjusted for inflation as before. These are clear and positive signals to the industry.

We have a broad pipeline of potential new-build projects in the United Kingdom, particularly in offshore wind. For the upcoming auctions, we have 7.5 gigawatts of offshore projects eligible to participate. This gives us the flexibility to proceed selectively in order to consistently adhere to our strict investment criteria.

It is also positive that the UK and the EU are moving closer together again on energy issues. The emissions trading systems are to be linked in future. This is a good decision as it makes sense to work together across borders.

The emissions trading system is and will remain the central steering instrument for decarbonisation. It ensures cost efficiency and market rationality. This is because it provides incentives to switch first to modern technologies where CO₂ is easy to avoid and the costs are lowest.

At the same time, this will generate revenue that member states can use to provide targeted support for the transition. One example is an industrial electricity price, which can make a significant contribution to maintaining the competitiveness of manufacturing companies during the transition phase.

With its Clean Industrial Deal, the EU Commission has also recently sent a signal that it wants to maintain competitiveness. Climate protection and industrial policy are two sides of the same coin. With this in mind, we must finally succeed in reducing bureaucratic overregulation and arrive at a significantly more pragmatic approach.

The EU has demonstrated that this is possible with its new state aid framework, CISAF. Member states can now approve national aid much more quickly. This process, which was previously extremely cumbersome, was always a major obstacle.

The approval of capacity markets is now also possible via a fast-track procedure. This is a good blueprint, especially for the German federal government. After all, a centralised and technology-neutral capacity market should become the decisive instrument for future investments in secure generation capacity in Germany in the foreseeable future. A good example of a successful introduction is the central capacity market in Belgium. It has been confirmed as compliant with EU law and many elements can be easily adopted.

The planned funding of up to five gigafactories within the EU is also welcome. The digital infrastructure for artificial intelligence will be a key location factor in the future. It is good that the EU Commission is supporting this. Gigafactories require grid connection infrastructure and a reliable power supply. At RWE, we are in talks with several players to make this possible. We are thus supporting the application for a gigafactory in Germany.

Let's now take a closer look at Germany:

In addition to an investment offensive for infrastructure in the energy sector, the new German government is placing greater emphasis on technological openness and cost efficiency. This is very positive.

Above all, cost efficiency must be given greater priority in the energy transition so that electricity remains affordable and acceptance is maintained.

We therefore welcome the fact that the German Federal Minister for Economic Affairs is conducting a reality check on Germany's expansion plans. An oversized energy system is no good to anyone. Nor does it make sense to build renewable energy plants whose electricity does not reach consumers. Grid expansion must be better synchronised with the expansion of renewables.

Another focus of the German government is security of supply. We continue to anticipate that the tender for up to 10 gigawatts of new gas-fired power plant capacity will be launched by the end of the year. If this is achieved, I am optimistic that the first plants will be able to be commissioned in 2030. These will include some from RWE.

We have prepared for the construction of at least 3 gigawatts of capacity: contracts with suppliers have been negotiated. And we are also pressing ahead with the relevant approval processes.

However, economic viability is crucial for the final investment decision. We have long been campaigning for simple and pragmatic criteria to be applied in tenders. After all, unnecessary overregulation only makes the energy transition more expensive.

At RWE, we are absolutely convinced that Germany is a good location for investment in the long term. Publicly reaffirming this has motivated us to become part of the 'Made for Germany' initiative. The core of the initiative is the close collaboration between politics and business to jointly ensure the attractiveness of Germany as a business location.

Ladies and gentlemen,

Finally, let's take a look across the Atlantic:

The new US administration has been in office for seven months. It was to be expected that there would be many unanswered questions, especially in the first few weeks of the new administration. In the meantime, key points for future investment conditions are taking shape, primarily through the passing of the so-called 'One Big Beautiful Bill'.

Tax incentives for the expansion of renewables are set to expire in the coming years. Within this framework, the so-called Safe Harbour regime applies in the US. If investments were started at a certain point in time, the investment conditions valid at that time will continue to apply to the respective project.

We are currently awaiting further clarification regarding future new investments. This is expected in the coming weeks. We envisage that the expansion of onshore renewable energy in the US will continue, primarily due to the dynamic growth in electricity demand.

However, the biggest challenges at the moment are tariffs. We have managed to largely mitigate the risk to our current expansion. A large proportion of the components for our plants come from US suppliers. However, there are also components that still have to be imported. The associated tariffs must be manageable for every new investment decision. For new projects, this means that we must either succeed in purchasing everything within the United States or find suppliers or offtakers who are willing to assume a large portion of the tariff risk.

The current uncertainty is leading to a slowdown in the pace of investment. It remains to be seen when this situation will be resolved.

Ladies and gentlemen,

After a solid first half of the year, we are well on track to achieve our full-year targets. Financial and dividend targets are confirmed.

The investment environment remains challenging. At RWE, we are navigating the rough waters well. The expansion of our generation portfolio is progressing well – by the end of the year, additional plants with a capacity of more than 3 gigawatts will be commissioned.

The long-term outlook for our business is promising. Electricity demand will continue to rise. However, billion-euro investments require reliable framework conditions.

The investment framework for new projects is taking shape in our core markets, whether it be the offshore auction rounds in the United Kingdom, investments in security of supply in our home market of Germany or the safe harbour rules in the United States.

So, we are optimistic about the future. And with that, I look forward to your questions.

Forward-looking statements

This speech contains forward-looking statements. These statements reflect the current views, expectations and assumptions of management, and are based on information currently available to management. Forward-looking statements do not guarantee the occurrence of future results and developments and are subject to known and unknown risks and uncertainties. Actual future results and developments may deviate materially from the expectations and assumptions expressed in this document due to various factors. These factors primarily include changes in the general economic and competitive environment. Furthermore, developments on financial markets and changes in currency exchange rates as well as changes in national and international laws, in particular in respect of fiscal regulation, and other factors influence the company's future results and developments. Neither the company nor any of its affiliates undertakes to update the statements contained in this speech.