Interim report on the first quarter of 2025
Telephone press conference
Essen, 15 May 2025, 10:00 CEST
Speech by Dr Michael Müller, CFO of RWE AG

Check against delivery

Ladies and gentlemen,
Welcome to our press conference on the business development in the first three months of this year.

RWE's start to fiscal 2025 is in line with expectations.

In the first quarter, we achieved adjusted EBITDA of €1.3 billion. Adjusted net income amounted to around €500 million.

As announced, our earnings are therefore below the high level of the previous year. As expected, our earnings in the Flexible Generation and Supply & Trading segments were not able to match the high levels achieved in 2024. In addition, poor wind conditions in Europe led to a decline in electricity production from onshore and offshore wind farms, which resulted in lower earnings.

By contrast, the commissioning of new wind and solar farms as well as battery storage facilities had a positive impact. We have commissioned a total of 2.5 gigawatts of capacity since the end of March 2024. In the first quarter of 2025 alone, we added 600 megawatts.

For the year as a whole, we are confident that we will achieve our earnings forecast. We continue to expect adjusted EBITDA of between €4.55 billion and €5.15 billion. We anticipate adjusted net income of between €1.3 billion and €1.8 billion.

We also reaffirm our dividend target: for the current financial year, we intend to distribute €1.20 per share. This is again €0.10 more than in the previous year.

Let's take a look at the segment results in detail:

In the Offshore Wind segment, we achieved adjusted EBITDA of €380 million in the first three months, which was lower than in the previous year. The decline compared with the same quarter last year is mainly due to significantly lower electricity production as a result of very poor wind conditions. In addition, the prices and margins we achieved for electricity forward sales were down.

Adjusted EBITDA in the Onshore Wind/Solar segment rose to €496 million. The commissioning of new wind farms, solar farms and battery storage facilities in the United States and Europe had a positive impact on earnings. In addition, we achieved higher prices for our electricity production in the United States. In Europe, by contrast, the price level realised was lower than last year. Furthermore, wind conditions at our European generation sites were generally weaker than in the previous year.

Adjusted EBITDA in the Flexible Generation segment amounted to €376 million. As expected, margins from forward electricity sales remained below the high prior-year level. Additional income from the short-term power plant dispatch could only make up a small portion of the shortfall.

Supply & Trading got off to a weak start to the year with adjusted EBITDA of €15 million. For the full year 2025, we continue to expect to close within the forecast range of €100 million to €500 million.

Our lignite-based electricity generation business and our nuclear decommissioning activities are no longer included in our adjusted EBITDA and adjusted net income.

We are continuing to successfully expand our portfolio of renewables and flexible generation.

In the first three months, we invested €2.7 billion net. More than half of this went into the construction of our offshore wind projects in the North Sea: Sofia off the British coast, OranjeWind in the Netherlands, the Nordseecluster in the German Bight and the Danish Thor Offshore Wind Farm.

Construction of the projects is progressing according to plan. At Thor, we have started installing the foundations. As we speak, 5 of a total of 72 monopile foundations have been erected.

Construction of Sofia is also progressing well: at the moment, we are installing foundation number 80 out of a total of 100. And 12 turbines are already in place. The wind farm on Dogger Bank is scheduled to feed first electricity into the grid in the autumn. And full commissioning will follow next year.

For our German project Nordseecluster A, first foundations have been offloaded at our marshalling port in Eemshaven. Installation will begin in the summer.

We are realising our large offshore wind projects together with partners. We are building OranjeWind together with TotalEnergies.

For the Thor and Nordseecluster projects, we agreed at the end of March with Norges Bank Investment Management, the manager of the Norwegian sovereign wealth fund, that they will acquire a 49% stake in both projects. We will remain responsible for the construction and operation of the wind farms. The acquisition is expected to be completed by the end of the second quarter. The purchase price is approximately €1.4 billion. The sale significantly reduces our investment requirements for the projects, by around €4 billion.

We also intend to sell stakes in our Sofia offshore project next year. This means we are implementing what we announced: we are realising the value from our offshore projects at the optimal time and spreading the investments across several shoulders.

In addition to offshore wind, we are also forging ahead with the expansion of our portfolio in onshore wind, solar and batteries. In the first three months, we successfully commissioned 500 megawatts of new onshore wind and solar farms.

We are currently building further onshore wind and solar projects in eight European countries, some of which will be combined with battery storage facilities. These projects have a total capacity of 2.4 gigawatts. These primarily include projects in the United Kingdom, where the buildout has gained considerable momentum. We will complete 21 projects in the UK by the end of the year, 10 of which are solar farms.

We are also making significant progress in the United States, where our generation portfolio is growing steadily. We now operate almost 11 gigawatts in 25 US states. A further 30 projects with a total capacity of 3.9 gigawatts are under construction.

We apply strict risk management to these projects. We currently see no economic risks from federal permitting. In addition, we have largely mitigated supply chain risks for our projects under construction. Our tariff risk is not material.

Battery storage systems, which can provide power within milliseconds, are extremely important for grid stability. In the first quarter, we fully commissioned large-scale storage facilities with a capacity of 220 megawatts in Germany. We are currently building additional large-scale batteries with a combined capacity of 1.4 gigawatts in Germany, the United Kingdom and the Netherlands.

Including offshore wind, we currently have a total of almost 150 projects with a combined capacity of 11.2 gigawatts under construction. We expect to commission nearly three-quarters of this capacity by the end of 2026.

The prospects for flexible power generation are particularly positive in Germany. Flexible power plants are hugely important for security of supply.

The new German government has announced plans to tender for up to 20 gigawatts of new gas-fired power plants. We are ready to build at least three gigawatts if the framework conditions are right. We would build these at existing power plant sites.

We are well prepared for this and have been consistently pushing ahead with the relevant planning and approval procedures since summer 2023. One example is our power plant site in Weisweiler. Here, we already agreed the terms for the construction of a hydrogen-ready gas-fired power plant with an Italian-Spanish consortium in July 2023. The supply chain is therefore secured. The approval planning has been initiated and discussions with the relevant authorities are already underway. In addition, we are developing specific projects at other sites and have already secured preferred supplier agreements for turbines with a total capacity of 2.4 gigawatts. We are ready to go.

Our €1.5 billion share buyback programme is making good progress. We will complete the first tranche by the end of this month and acquire shares worth €500 million. Shortly thereafter, we will start with the second tranche. We will complete the current programme by May 2026 as planned.

Ladies and gentlemen,

We had a solid start to the year.

Our financial performance in the first quarter was in line with our expectations. We are therefore confirming our outlook for the 2025 financial year. We are also sticking to our target of increasing the dividend to €1.20 per share for the current financial year.

We are forging ahead with the expansion of our portfolio. We have already invested €2.7 billion net in the first three months. We intend to invest a total of €7 billion net this year.

Our generation portfolio is growing rapidly and in a value-accretive manner.

Since the end of March 2024, we have commissioned new plants with a total capacity of 2.5 gigawatts. Further plants with a combined capacity of 11.2 gigawatts are currently under construction.

And with that, I look forward to your questions.

Forward-looking statements
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