

## Press Release

### RWE forges ahead with growth in renewables business and presents good half-year results

- **Gross capital expenditure in renewable energies in first half of 2021 doubles year on year, totalling €1.8 billion**
- **Portfolio of wind farms and solar plants as well as storage systems to grow to more than 13 gigawatts by end of 2022; 3.9 gigawatts currently under construction with commissioning planned by end of 2022**
- **Outlook for fiscal 2021 raised significantly on account of exceptionally strong performance by Supply & Trading**
- **Adjusted EBITDA at previous year's level of around €1.8 billion despite weather effects – adjusted net income up year on year at €870 million**

Essen, 12 August 2021

**Markus Krebber, CEO of RWE AG:** “The transformation of RWE is progressing swiftly. In the first half of the year we invested €1.8 billion gross in renewables, which was twice as much as in the first six months of 2020. And we are continuing full speed ahead. This year we will commission new wind farms and solar plants as well as storage systems with 1.8 gigawatts, with a further 2.1 gigawatts to follow next year. This will take us to our target of more than 13 gigawatts by the end of 2022. Financially, we are also doing well. We have therefore significantly raised our 2021 earnings forecast.”

The transformation of RWE is continuing at a fast pace. During the first six months of 2021, the company invested €1.8 billion gross in new wind farms and solar plants as well as battery projects. That's twice as much as in the same period last year. RWE currently has projects amounting to 3.9 gigawatts (GW) under construction, which will be commissioned by the end of 2022. Thus, the portfolio will grow from 9.3 GW today to more than 13 GW by the end of 2022. In addition, RWE has started construction on the 1.4-GW offshore wind farm Sofia off the British coast, which is scheduled for completion in the fourth quarter of 2026.

Financially, the first half of 2021 was also very good. On the back of an exceptionally high earnings contribution by Supply & Trading, RWE has significantly increased its outlook for fiscal 2021.

# RWE

## Leading in the development of new solutions

RWE is forging ahead with state-of-the-art technologies like floating offshore, floating solar and storage. As one of the key players in setting up the hydrogen economy, RWE is working with partners on more than 30 projects along the value chain.

Another important element in the transformation of RWE is the rigorous phaseout of coal. The company's last two hard coal-fired power stations in Germany have been decommissioned. For lignite, the first wave of decommissioning is in progress: At the end of the year, three more units in the Rhenish region will be taken off the grid. As a consequence of the phaseout of coal, RWE will have to cut over 3,000 jobs by the end of 2022 alone. This will be done in a socially responsible way and in close consultation with the social partners.

## Extraordinarily strong result in Supply & Trading offsets weather effects

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) of RWE Group in the first half of 2021 was on the previous year's level, at €1,751 million (1<sup>st</sup> half of 2020: €1,833 million). The same applies to adjusted EBIT, at €1,042 million (1<sup>st</sup> half of 2020: €1,113 million). Adjusted net income was up year-on-year, at €870 million (1<sup>st</sup> half of 2020: €816 million).

For fiscal 2021, RWE now expects to achieve adjusted EBITDA of between €3.0 billion and €3.4 billion at Group level, which is €350 million higher than forecast in March 2021. In the core business, adjusted EBITDA is expected to be between €2.15 billion and €2.55 billion. The range for adjusted EBIT was raised to €1.5 billion to €1.9 billion. RWE now expects its adjusted net income to be between €1.05 billion and €1.4 billion, an increase of €300 million. The dividend statement is confirmed: For the current financial year, the company still aims to increase the dividend to €0.90 per share.

In its **core business** with the Offshore Wind, Onshore Wind/Solar, Hydro/Biomass/Gas and Supply & Trading segments, RWE achieved adjusted EBITDA of €1,206 million in the first six months of 2021. The figure for the same period last year was €1,523 million.

**Offshore Wind:** Adjusted EBITDA in the Offshore Wind segment was €459 million for the first half of the year, compared to €585 million for the same period in the previous year. This was because wind volumes were much lower in Northern and Central Europe than the very high level witnessed a year before. For the current year, RWE expects adjusted EBITDA of between €1,050 million and €1,250 million for this segment.

**Onshore Wind/Solar:** In the first six months of 2021, the Onshore Wind/Solar segment recorded adjusted EBITDA of minus €42 million, compared to €299 million in the same period in 2020. The extreme cold snap in Texas led to an earnings shortfall of around €400 million. Additional burdens resulted from below-average wind conditions at onshore wind farm locations in Northern and Central Europe.

# RWE

Book gains from the sale of RWE's shares in three US onshore wind farms and earnings contributions from new plants had a positive effect. For the current year, RWE expects adjusted EBITDA of between €50 million and €250 million for this segment.

**Hydro/Biomass/Gas:** With adjusted EBITDA of €297 million, business in the Hydro/Biomass/Gas segment was below the previous year's level of €324 million. The wood pellet production business in the US, which was sold in mid-2020, stopped contributing to earnings. In addition, earnings from electricity produced using biomass in the Netherlands fluctuate during the year. However, RWE expects to achieve higher income from biomass usage for the year as a whole. Adjusted EBITDA for this segment should lie in a range between €500 million and €600 million.

**Supply & Trading:** The Supply & Trading business once again recorded an outstanding performance. Adjusted EBITDA reached €525 million, exceeding the already high level of €322 million achieved last year. For this segment, therefore, RWE has raised its outlook and now expects adjusted EBITDA to be significantly above €350 million for 2021 as a whole.

## **Non-core business result in line with expectations**

Adjusted EBITDA in the Coal/Nuclear segment was €545 million, compared to €310 million for the same period in the previous year. For electricity from lignite and nuclear power, RWE realised higher wholesale margins than in 2020. For the year as a whole, it continues to expect adjusted EBITDA of between €800 million and €900 million for this segment.

## **Comfortable financial situation**

The Group's net debt decreased to €903 million (31 December 2020: €4,432 million). This was due mainly to a very good adjusted operating cash flow and timing effects from hedging activities as well as a decline in pension provisions resulting from higher discount rates.

Michael Müller, CFO of RWE AG, comments: "We posted a better business performance than we expected at the start of the year, which is very gratifying. Our financial situation remains good, and it enables us to maintain our high pace of investment. We will present our plans for beyond 2022 at our Capital Market Day on 15 November 2021."

## Key figures at a glance

€ million	Outlook 2021 (July 2021)	January-June 2021	January-June 2020
Adjusted EBITDA Offshore Wind	1,050 - 1,250	459	585
Adjusted EBITDA Onshore Wind/Solar	50 - 250	-42	299
Adjusted EBITDA Hydro/Biomass/Gas	500 - 600	297	324
Adjusted EBITDA Supply & Trading	Significantly above 350	525	322
<b>Adjusted EBITDA Core business</b>	<b>2,150 - 2,550</b>	<b>1,206</b>	<b>1,523</b>
Adjusted EBITDA Coal/Nuclear	800 - 900	545	310
<b>Adjusted EBITDA Group</b>	<b>3,000 - 3,400</b>	<b>1,751</b>	<b>1,833</b>
<b>Adjusted EBIT</b>	<b>1,500 - 1,900</b>	<b>1,042</b>	<b>1,113</b>
<b>Adjusted net income</b>	<b>1,050 - 1,400</b>	<b>870</b>	<b>816</b>

### For enquiries:

Stephanie Schunck  
RWE AG  
Director of Group Corporate  
Communications & Public Affairs  
T +49 (0) 201 5179-5177  
M +49 (0) 162 26 555 88  
[stephanie.schunck@rwe.com](mailto:stephanie.schunck@rwe.com)

Vera Buecker  
RWE AG  
Head of Media Relations  
International & Finance  
T +49 (0) 201 5179-5112  
M +49 (0) 162 251 73 29  
[vera.buecker@rwe.com](mailto:vera.buecker@rwe.com)

### RWE AG

RWE is one of the world's leading renewable energy companies. It has capacity of around 11 gigawatts based on renewable energy, including hydropower and biomass as well as a highly efficient gas fleet and an international energy trading business. RWE wants to expand this position by investing in onshore and offshore windpower, photovoltaics and storage technologies. As a driver of the energy transition, the company also focusses on innovative projects such as floating offshore as well as the generation and use of hydrogen. At the same time, RWE is responsibly phasing out nuclear energy and coal. Government-mandated phaseout roadmaps have been defined for both of these energy sources. The company has a total of around 41 gigawatts of generating capacity in its portfolio and employs around 20,000 people worldwide. RWE has a clear ambition: to be carbon-neutral by 2040. On its way there, the company has set itself ambitious targets for all activities that cause greenhouse gas emissions. The renowned Science Based Targets initiative has scientifically confirmed that these emission reduction targets are in line with the Paris Agreement.

### Forward-looking statements

*This press release 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 press release.*

### German General Data Protection Regulation (GDPR)

*The personal data processed in connection with the press releases will be processed in compliance with the legal data protection requirements. If you are not interested in continuing to receive the press release, please inform us at [Datenschutz-kommunikation@rwe.com](mailto:Datenschutz-kommunikation@rwe.com). Your data will then be deleted and you will not receive any further press releases from us in this regard. If you have any questions about our data protection policy or the exercise of your rights under the GDPR, please contact [datenschutz@rwe.com](mailto:datenschutz@rwe.com).*