

Press release

50 billion euros, 50 gigawatts of capacity by 2030: RWE launches investment and growth offensive

- New strategy defines corporate targets until the end of the decade
- Capacity additions to be accelerated by 70%: portfolio growth to average 2.5 gigawatts per year
- 9% average annual growth in adjusted EBITDA in core business / ambition for 2030 is €5 billion

Essen, 15 November 2021

Markus Krebber, CEO RWE AG: “Our comprehensive strategic transformation has been successfully completed. We are in a great position to actively shape the key decade of the energy transition. With our investment and growth strategy ‘Growing Green’ we are strongly stepping up the pace and investing €50 billion gross through to 2030. This will help us to expand our powerful, green generation capacity to 50 gigawatts. As a result, adjusted EBITDA in our core business will increase by an average of 9% per year, with a target of €5 billion by 2030. Leading the way to a green energy world, we are fully committed to driving forward the climate-neutral transformation of industry and society, very much in the spirit of our purpose: Our energy for a sustainable life.”

Greener, bigger, more valuable – that is RWE in 2030. For the first time, the company is providing details of what it will look like by the end of the decade. With its new strategy ‘Growing Green’, RWE is massively stepping up the pace and is investing €50 billion gross in its core business. That means an average of €5 billion gross each year for offshore and onshore wind, solar, batteries, flexible generation and hydrogen. The company is thus expanding its portfolio by 25 gigawatts net to 50 gigawatts (GW) in the attractive markets of Europe, North America, and the Asia-Pacific Region.

Net capacity is to be added at an accelerated pace: Previously, RWE aimed to increase its total capacity by an average of 1.5 GW per year. In future, this figure is to average 2.5 GW per year – an increase of 70%. This also includes green hydrogen: By the end of the decade, RWE aims to build up its own net 2 GW of electrolyser capacity.

RWE

As a consequence, adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) in the core business will increase substantially, to a planned €5 billion by 2030, likely more than twice the figure for the current fiscal year.

In the short-term too, RWE's earnings situation is developing well; the company is thus raising its current forecast for fiscal 2022.

Excellent financial position

By far the largest part of RWE's investment programme will be financed from its strong cash flows from operating activities. Thanks to its excellent creditworthiness and low debt level, the company has plenty of financial headroom. Michael Müller, Chief Financial Officer of RWE AG, comments: "Our new strategy not only paints a clear picture of how our company will develop between now and 2030; it also shows that we are financially strong and will be financing our green growth with green funds. Our growth programme adds value and is sustainable." He continues: "We also want our shareholders to benefit from the growth in our earnings. For fiscal 2021, the company plans to increase the dividend to 90 euro cents per share. We intend to keep our dividend at a floor of 90 euro cents per share in the coming years. In the long-term, we aim for a pay-out ratio to our shareholders of 50% to 60% of adjusted net income."

Rapid and sustainable growth

Already today, RWE is one of the world's leading companies in renewable energies. It is therefore only logical that renewables are one of the focal points of the new strategy: By 2030, RWE intends to triple its offshore wind capacity from 2.4 GW to 8 GW. These activities are focused on Europe as well as North America and the Asian markets, where the company works together with partners. For onshore wind and solar RWE is expanding its installed generation capacity from 7 GW to 20 GW; the emphasis here is split roughly fifty-fifty between the two, in both Europe and in North America. This will take advantage of the particular potentials offered by solar: capacity is to be increased from less than 1 GW to 8 GW. The battery storage business is also clearly focused on growth. The company is already involved in projects representing an installed battery capacity of more than 0.6 GW, and this figure is to grow to 3 GW by 2030.

RWE will harness growth opportunities for flexible electricity supply in its traditional markets in particular, i.e. in Germany, the United Kingdom and the Benelux countries, and will contribute towards security of supply by building flexible generation capacities. With an installed capacity of 14 GW, RWE is currently operating the second-largest gas-fired power station fleet in Europe. Additional plants with a generation capacity of at least 2 GW, which will have a clear decarbonisation roadmap, are planned. Furthermore, a roadmap for "green conversion" will also be developed for all existing power stations.

RWE will also significantly expand its trading in green energy sources and its range of tailored energy solutions for large customers. Thanks to its experience with its own transformation, RWE is the partner of choice when it comes to the decarbonisation of industry. The company also plans to open up new business opportunities in the areas of hydrogen and ammonia importing, in order to supply industry in Europe.



All efforts directed towards a climate-neutral society

Markus Krebber emphasises: "RWE can deliver what the green energy world needs: electricity from wind and sun, for which the demand is increasing more and more; storage systems and flexible generation capacity to secure supply; expertise and drive to ramp up the hydrogen economy; integrated customer solutions to supply industry with green energy; and a massive reduction in CO₂ to contribute towards the achievement of the Paris Agreement targets." He continues: "The transformation to a climate-neutral society requires companies that put all their efforts into this task. That is what RWE is doing and, to achieve this, it can rely on the energy, the passion, the experience and the expertise of its employees."

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

Vera Buecker
RWE AG
Head of Media Relations
International & Finance
T +49 (0) 201 5179-5112
M +49 (0) 162 251 7329
vera.buecker@rwe.com

RWE AG

RWE is leading the way to a green energy world. With an extensive investment and growth strategy, the company will expand its powerful, green generation capacity to 50 gigawatts internationally by 2030. RWE is investing €50 billion gross for this purpose in this decade. The portfolio is based on offshore and onshore wind, solar, hydrogen, batteries, biomass and gas. RWE Supply & Trading provides tailored energy solutions for large customers. RWE has locations in the attractive markets of Europe, North America and the Asia-Pacific region. The company is responsibly phasing out nuclear energy and coal. Government-mandated phaseout roadmaps have been defined for both of these energy sources. RWE employs around 19,000 people worldwide and has a clear target: to get to net zero by 2040. On its way there, the company has set itself ambitious targets for all activities that cause greenhouse gas emissions. The Science Based Targets initiative has confirmed that these emission reduction targets are in line with the Paris Agreement. Very much in the spirit of the company's purpose: Our energy for a sustainable life.

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.

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