

RWE reports very good quarterly results

- Adjusted EBITDA for first quarter of 2022 increases by 65% to €1.46 billion
- Adjusted net income of €735 million more than double previous year's figure
- Halt to Russian coal imports leads to write-off of around €850 million in non-operating result
- Outlook for fiscal 2022 confirmed
- Share of renewables in total generation capacity increases to 30%

Essen, 12 May 2022

Michael Müller, CFO of RWE AG: "The impact of the war in Ukraine has presented the energy markets with enormous challenges. Politicians have therefore put security of supply and diversifying fuel imports at the top of their agenda. At RWE, we are helping the German federal government to become independent of Russian gas – in the short term by building capacities for liquefied natural gas, and in the medium and long term by driving the expansion of renewables and ramping up the hydrogen economy. That is at the core of our 'Growing Green' strategy. This year, we are planning to invest more than €3.7 billion – and thanks to our solid financial situation we have the funds to do so."

In operational terms, the year started very well for RWE. At €1,460 million, adjusted EBITDA (earnings before interest, taxes, depreciation, and amortisation) for the first quarter of 2022 clearly exceeded the previous year's figure (Q1 2021: €883 million). Adjusted EBIT also rose significantly, from €548 million to €1,098 million. Adjusted net income more than doubled, from €340 million to €735 million.

In the first three months of 2022, RWE generated over 20% more electricity from wind and solar power than in the same quarter in the previous year. This was mainly due to more favourable wind conditions. The commissioning of the British offshore wind farm Triton Knoll was also a contributing factor. In addition, the 200-megawatt El Algodon Alto wind farm in Texas as well as further onshore projects in France and Germany were connected to the grid during the first quarter of 2022. The share of renewables in overall generation capacity increased to 30%.



Support with building capacities for liquefied natural gas

RWE supports the German government in its efforts to become independent of pipeline gas from Russia. Two special ships (FSRU, Floating Storage and Regasification Units) were chartered on behalf of the government, which can be used to import liquefied natural gas (LNG) and feed it into the German gas grid.

RWE will be responsible for operating these platforms. The FSRU's could start operations as early as next winter. In parallel, the company is involved in constructing an LNG terminal in Brunsbüttel near Hamburg and is helping with closing new supply contracts for liquefied gas. In addition, RWE wants to build an import terminal for green ammonia nearby.

No coal imports from Russia as a result of UK sanctions

From August, a ban by the EU on importing coal from Russia will come into force. The UK government had already imposed sanctions against Russian Railways from March. As a company that is active in the UK, this means that RWE has not accepted any coal from Russia since the end of March. As a consequence, RWE has written off its long-term supply contract for Russian coal. This results in a financial loss of around €850 million that is included in the non-operating result.

Outlook for 2022 confirmed

Based on its good operating results, RWE confirms its outlook for fiscal 2022. The company is aiming to achieve adjusted EBITDA of between €3.6 billion and €4 billion at Group level; in the core business, adjusted EBITDA should amount to between €2.9 billion and €3.3 billion. The forecast for adjusted EBIT is between €2.0 billion to €2.4 billion, and for adjusted net income the company expects between €1.3 billion and €1.7 billion. RWE is still aiming to pay out a dividend of 90 euro cents per share for the current financial year.

In the core business with the Offshore Wind, Onshore Wind/Solar, Hydro/Biomass/Gas segments as well as Supply & Trading, adjusted EBITDA reached €1,253 million in the first three months of 2022. The figure for the previous year was €555 million. The prior-year result included losses of approximately €400 million due to the extreme weather in Texas.

Offshore Wind: Adjusted EBITDA in the Offshore Wind segment in the first quarter of 2022 totalled €420 million, compared to €297 million in the previous year's period. This increase was mainly due to improved wind speeds. In addition, RWE benefited from the full consolidation of British offshore wind farm Rampion as well as electricity being fed into the grid during the commissioning phase of the Triton Knoll wind farm off the British coast. For the current year, RWE expects adjusted EBITDA of between €1.35 billion and €1.6 billion in this segment.





Onshore Wind/Solar: In the first three months of 2022, adjusted EBITDA in the Onshore Wind/Solar segment reached €318 million. In the same quarter of 2021 the result was €-119 million, due to the losses in Texas. Additional factors contributing to the increase in earnings were more favourable wind conditions and the commissioning of new plants in the US, France and Germany. For 2022, RWE expects adjusted EBITDA of between €650 million and €800 million in this segment.

Hydro/Biomass/Gas: Adjusted EBITDA in the Hydro/Biomass/Gas segment increased to €263 million (Q1 2021: €213 million). This was due to additional income from the short-term optimisation of power plant dispatch, among other reasons. Adjusted EBITDA for this segment is expected to total between €700 million and €900 million for fiscal 2022.

Supply and Trading: At €297 million, earnings exceeded the prior year's already high figure of €189 million. For the current year, RWE expects adjusted EBITDA of between €150 million and €350 million in this segment.

Earnings outside the core business within forecast range

Adjusted EBITDA in the Coal/Nuclear segment reached €207 million, compared to €328 million in the same period in the previous year. The expected decline in earnings is mainly due to power plant closures as part of the German coal and nuclear phaseouts. At the end of 2021, RWE took the Gundremmingen C nuclear power station as well as the lignite-fired units Neurath B, Niederaussem C and Weisweiler E offline. For the year as a whole, the company expects adjusted EBITDA of between €650 million and €750 million in this segment.

Increased investment in green energy expected for 2022

RWE's gross capital expenditure during the first quarter of 2022 was €568 million. Almost 90% of the RWE Group's total capex was in line with the proposed green investment criteria of the EU Taxonomy Regulation. For the year as a whole, RWE expects capital expenditure to exceed the previous year's investment volume of €3.7 billion euros. Currently, facilities with a total capacity of 5.6 gigawatts are under construction.

Financial situation remains solid

The Group's net assets as at the balance sheet date totalled €3,287 million. This is a considerable increase compared to the end of 2021 (31 December 2021: €360 million). The increase is mainly due to timing effects and a reduction in provisions for pensions as a result of market-driven increases in discount interest rates.





Key figures at a glance

€ million	Outlook 2022	January- March 2022	January- March 2021
Adjusted EBITDA Offshore Wind	1,350 – 1,600	420	297
Adjusted EBITDA Onshore Wind/Solar	650 – 800	318	-119
Adjusted EBITDA Hydro/Biomass/Gas	700 – 900	263	213
Adjusted EBITDA Supply & Trading	150 – 350	297	189
Adjusted EBITDA Core business	2,900 – 3,300	1,253	555
Adjusted EBITDA Coal/Nuclear	650 – 750	207	328
Adjusted EBITDA Group	3,600 – 4,000	1,460	883
Adjusted EBIT	2,000 – 2,400	1,098	548
Adjusted net income	1,300 – 1,700	735	340

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RWE

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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