

Press release

RWE raises outlook for fiscal 2022

- **Positive earnings trend in the international core business led to an increased earnings forecast for fiscal 2022**
- **Adjusted EBITDA for RWE Group now expected to be between €5.0 billion and €5.5 billion**
- **In the core business, adjusted EBITDA now expected to be between €4.3 billion and €4.8 billion particularly driven by higher earnings from Hydro/Biomass/Gas and Supply & Trading**
- **RWE's German Coal/Nuclear business did not benefit from higher power prices**

Essen, 27 July 2022

Michael Müller, CFO of RWE AG: “Our earnings development in the first half of the year was marked by a very strong performance of the Supply & Trading division. Furthermore, we record a higher deployment of our international generation portfolio of our core business. On the back of this, we are pleased to raise our forecast for the RWE Group for fiscal 2022. This puts us in an even stronger position to deliver our ‘Growing Green’ strategy by allowing further investments into the energy transition.”

RWE has delivered a strong operational performance in the first six months of 2022. In particular, the Hydro/Biomass/Gas segment as well as Supply & Trading performed well on the back of volatile markets. Preliminary figures for H1 2022 are available in the table below. In contrast to this, RWE recorded a €850 million write-off of a hard coal contract in Q1 2022 due to UK sanctions against Russia. It was reported in the non-operating result.

This positive earnings trend is expected to continue, which has prompted RWE to increase the earnings forecast for the full year. RWE Group's adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) is now expected to be between €5.0 billion and €5.5 billion. This is driven by higher earnings from RWE's core business, where RWE expects adjusted EBITDA to range between €4.3 billion and €4.8 billion. Whereas RWE expects the Coal/Nuclear business to stay within the previously guided range as RWE has sold generation volumes already prior to the year. In line with EBITDA growth, adjusted EBIT is forecast to be between €3.4 billion and €3.9 billion for 2022. Adjusted net income is expected to reach €2.1 billion to €2.6 billion at year-end.



Michael Müller commented on the planned dividend for FY 2022: “We are committed to the success of the energy transition and to our shareholders. We confirm our dividend target of €0.90 per share for fiscal 2022.”

EBITDA development by division in 2022 and preliminary earnings for H1 2022

Offshore Wind: Earnings stood at €632 million for the first six months of 2022. Compared to H1 2021 (€459 million) earnings are higher, largely driven by the commissioning of Triton Knoll offshore wind farm and better wind conditions. Guidance for the full year is confirmed.

Onshore Wind/Solar: H1 2022 (€491 million) benefited from capacity additions, higher capture prices and better wind conditions, whereas H1 2021 (-€42 million) was negatively affected by the unprecedented Texas cold snap. Guidance for FY 2022 has increased to a range of €0.9 billion to €1.1 billion as a result of strong earnings in H1 2022.

Hydro/Biomass/Gas: Adjusted EBITDA stood at €755 million as of the end of June 2022. Year-on-year higher earnings from stronger short-term asset optimisation and higher international generation margins largely increased earnings compared to the previous year (H1 2021: €297 million). The outlook for adjusted EBITDA for the full year has been raised and is expected to be between €1.4 billion and €1.7 billion on the back of strong H1 results. In addition, regulatory changes in the Netherlands in the context of energy security will lead to increased power generation at RWE’s biomass co-firing plant Eemshaven. Furthermore, the recently announced acquisition of the Dutch Magnum power plant will influence earnings from Q4 2022 onwards.

Supply & Trading: After the first six months of 2022, adjusted EBITDA in the Supply & Trading division reached an exceptionally high level of €545 million (H1 2021: €525 million). Therefore, the outlook is now significantly above €350 million for the full year.

In RWE’s non-core business, adjusted EBITDA from **Coal/Nuclear** reached €501 million at the end of June 2022 (H1 2021: €545 million). For the full year it is expected to be within the previously guided range and with this below the previous year’s full year earnings.

For fiscal year 2023, RWE expects to continue the positive earnings trajectory. However, due to current uncertainty, a new earnings guidance 2023 exceeding the current guidance will be set at a later date.

RWE will publish its interim report for the first half of 2022 on 11 August 2022.

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Outlook Fiscal Year 2022

€ million	Outlook 2022 as of July 2022	Outlook 2022 as of February 2022
Adjusted EBITDA Offshore Wind	1,350 - 1,600	1,350 - 1,600
Adjusted EBITDA Onshore Wind/Solar	900 - 1,100	650 - 800
Adjusted EBITDA Hydro/Biomass/Gas	1,400 - 1,700	700 - 900
Adjusted EBITDA Supply & Trading	Significantly above 350	150 - 350
Adjusted EBITDA Core business	4,300 - 4,800	2,900 - 3,300
Adjusted EBITDA Coal/Nuclear	650 - 750	650 - 750
Adjusted EBITDA Group	5,000 - 5,500	3,600 - 4,000
Adjusted EBIT	3,400 - 3,900	2,000 - 2,400
Adjusted financial result	~-450	~-250
Adjusted tax	15%	15%
Adjusted minority interest	~-350	~-200
Adjusted net income	2,100 - 2,600	1,300 - 1,700

Preliminary earnings for first half of 2022

€ million	January-June 2022 preliminary	January-June 2022
Adjusted EBITDA Offshore Wind	632	459
Adjusted EBITDA Onshore Wind/Solar	491	-42
Adjusted EBITDA Hydro/Biomass/Gas	755	297
Adjusted EBITDA Supply & Trading	545	525
Other/Consolidation	-66	-33
Adjusted EBITDA Core Business	2,357	1,206
Adjusted EBITDA Coal/Nuclear	501	545
Adjusted EBITDA Group	2,858	1,751
Adjusted EBIT	2,104	1,042
Adjusted financial result	-132	-34
Adjusted tax	-297	-151
Adjusted minority interest	-109	13
Adjusted net income	1,566	870

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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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