RWE

Press release

RWE raises outlook for fiscal 2023

- **Positive earnings trend in international core business leads to an increased earnings forecast for current fiscal year**
- **Adjusted EBITDA for RWE at Group level now expected to be between €7.1 billion and €7.7 billion**
- **In the core business, adjusted EBITDA now expected to be between €6.3 billion and €6.9 billion, in particular due to higher earnings from Hydro/Biomass/Gas and Supply & Trading**
- **RWE's German lignite and nuclear business weaker in the first half of 2023**
- **Dividend target of €1.00 per share confirmed**

Essen, 25 July 2023

RWE has delivered a strong operational performance in the first six months of fiscal 2023. Based on preliminary figures, the company expects to close the first half of 2023 with adjusted EBITDA at Group level of €4.5 billion and adjusted EBITDA in the core business of €4.1 billion. Adjusted net income is expected to be €2.6 billion. The result for the first six months is thus significantly higher year-on-year.

The increase in earnings is mainly driven by international power generation in the Hydro/Biomass/Gas segment and a strong performance of Supply & Trading. In addition, the previous year's earnings were impacted by charges from sanctions on hard coal from Russia in the Supply & Trading segment. Additional generation capacities based on renewable energies contributed to the strong result.

On the back of the extraordinarily strong first half year, RWE has raised its earnings forecast for the current fiscal year.

Michael Müller, CFO of RWE AG: "The development of our earnings in the first half of 2023 was marked by a very successful deployment of our international power plant portfolio and an exceptionally strong performance in energy trading, which exceeded our expectations. On the back of this, we have raised our forecast for 2023. We will continue to invest heavily in the energy transition, and we want our shareholders to have a fair share in our success. We confirm our dividend target of €1.00 per share for fiscal 2023."

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RWE's adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) at Group level is now expected to be between €7.1 billion and €7.7 billion. For its core business, RWE now expects adjusted EBITDA to be between €6.3 billion and €6.9 billion. In line with the increase in adjusted EBITDA, adjusted EBIT at Group level is now expected to be between €5.0 billion and €5.6 billion in 2023. Adjusted net income is expected to reach €3.3 billion to €3.8 billion at year-end.

Outlook 2023 by segment and preliminary results for the first half of 2023

Offshore Wind: Adjusted EBITDA for the Offshore Wind segment in the first half of 2023 is expected to be €762 million, compared to €632 million in the prior year period. The increase in earnings is due to the commissioning of new capacity, the Kaskasi offshore wind farm off the coast of Heligoland and Triton Knoll off the UK coast. Wind volumes were below the level of the previous year and below the long-term average. The outlook for the full year has been confirmed.

Onshore Wind/Solar: Adjusted EBITDA in the Onshore Wind/Solar segment is expected to be €519 million in the first six months of 2023, compared to €505 million year-on-year. The increase in earnings is due to the acquisition of Con Edison Clean Energy Businesses in the US which has been fully consolidated since 1 March 2023, and the commissioning of other new wind and solar projects. By contrast, weaker wind conditions also had a negative impact. The full year outlook has been confirmed.

Hydro/Biomass/Gas: The Hydro/Biomass/Gas segment is expected to achieve an adjusted EBITDA of €1,939 million in the first half of 2023, compared to €755 million in the prior year period. This is mainly the result of higher earnings from short-term optimisation of the dispatch of the international generation portfolio and higher generation margins. The full year outlook for the adjusted EBITDA has been raised to €2,600 million to €3,000 million.

Supply & Trading: Adjusted EBITDA for the first six months of 2023 in the Supply & Trading segment is expected to increase to €799 million compared to €-203 million in the same period last year. The year-on-year increase in earnings is due to sanctions on coal deliveries from Russia, that led to an impairment of €748 million in the first half 2022. Therefore, the outlook now assumes the adjusted EBITDA for the full year to exceed significantly the upper end of the current forecast range.

Coal/Nuclear: The Coal/Nuclear segment is expected to reach an adjusted EBITDA of €431 million in the first half of 2023, compared to €501 million year-on-year. Due to a significantly lower electricity production based on lignite compared to the previous year and lower margins of unhedged positions, earnings were lower. In addition, power plant maintenance was carried out during the period under review. The contribution to earnings from nuclear energy was lower year-on-year, as the Emsland nuclear power plant only produced electricity until its shutdown on 15 April 2023.

Final figures for the first half of 2023 will be released as planned on 10 August 2023.

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Outlook for fiscal 2023 and preliminary results for the first half of 2023

€ million	**Outlook 2023** *July 2023*	**Outlook 2023** *March 2023*	**January-June 2023** *preliminary*	**January-June 2022***
Adjusted EBITDA Offshore Wind	1,400-1,800	1,400-1,800	762	632
Adjusted EBITDA Onshore Wind/Solar	1,100-1,500	1,100-1,500	519	505
Adjusted EBITDA Hydro/Biomass/Gas	2,600-3,000	1,750-2,150	1,939	755
Adjusted EBITDA Supply & Trading	significantly above 600	300-600	799	-203
Adjusted EBITDA Core business	**6,300-6,900**	**4,800-5,400**	**4,109**	**1,623**
Adjusted EBITDA Coal/Nuclear	800-1,200	800-1,200	431	501
Adjusted EBITDA Group	**7,100-7,700**	**5,800-6,400**	**4,540**	**2,124**
Adjusted depreciation & amortisation	-2,100	-2,200	-1,034	-753
Adjusted EBIT	**5,000-5,600**	**3,600-4,200**	**3,506**	**1,371**
Adjusted financial result	-550	-550	-121	-124
Adjusted taxes on income	20%	20%	-677	-187
Adjusted minority interest	-250	-250	-76	-110
Adjusted net income	**3,300-3,800**	**2,200-2,700**	**2,632**	**950**

**Some prior-year figures restated.*

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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 more than €50 billion gross for this purpose in this decade. The portfolio is based on offshore and onshore wind, solar, hydropower, 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 wants to phase out coal by 2030. 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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