RWE

10 Nov 2022

9M 2022 Results

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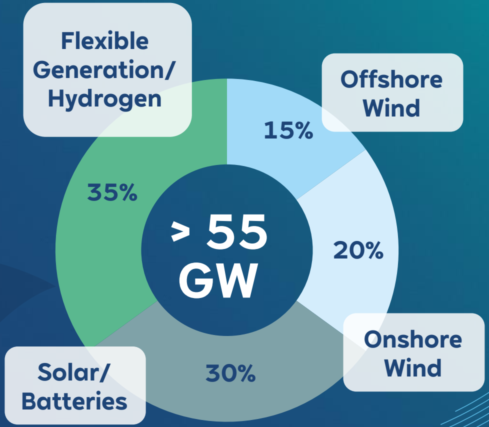
Strong performance and step up in Growing Green strategy

- **Strong performance in the core business** after **9M 2022** leading to an **EBITDA** in the **core business of €3.5bn** and **€4.1bn for the RWE Group**
- **Green transformation accelerated via agreement** with federal and state governments **to exit lignite power generation in 2030,** creating the **base for emission reduction in line with a 1.5°C compliant pathway**
- **Short-term energy security enhanced by extending operations** of 2.1 GW lignite and 1.3 GW nuclear capacity and **supporting investments into German LNG regasification capacity**
- **Growing Green strategy stepped up by acquisition of Con Edison Clean Energy Businesses Inc. (CEB)**
- **Outlook for FY 2022 reiterated:** Core EBITDA of €4.3bn – €4.8bn and EBITDA for RWE Group of €5.0bn – €5.5bn

Green transformation accelerated with 2030 coal exit agreement: Basis for 1.5°C compliant pathway set

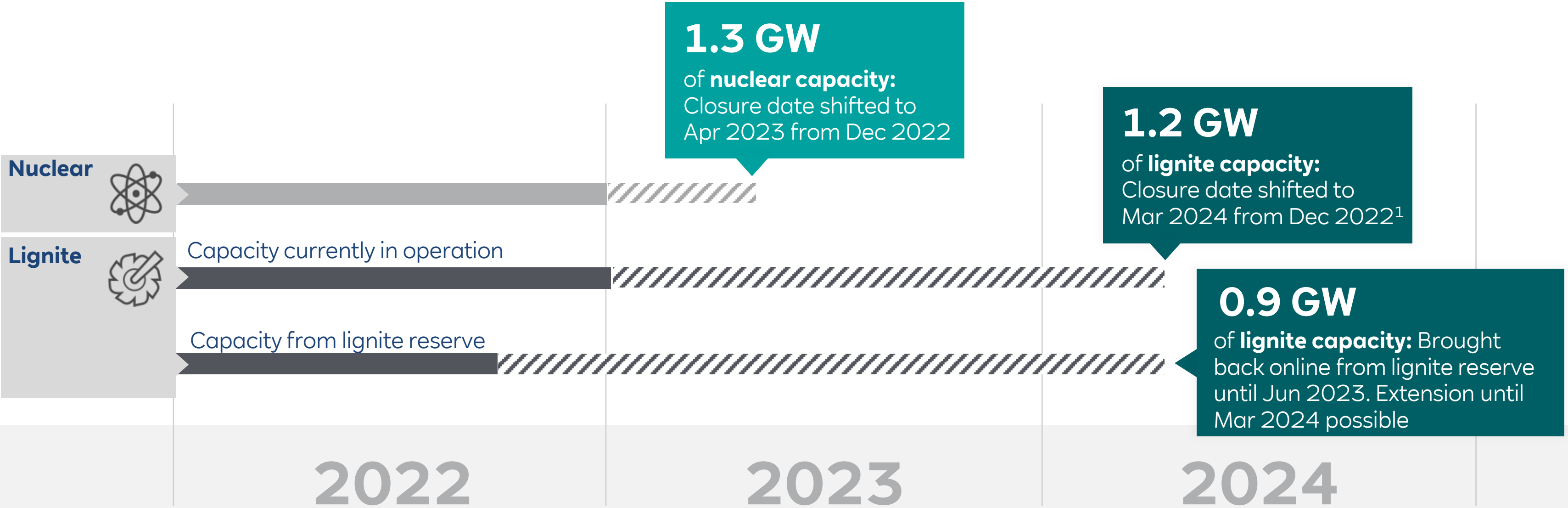
- **Agreement** reached with federal and state government **to exit lignite power generation in 2030 in Germany**
- **Accelerated closure creates the base for** emission reduction **in line with 1.5°C compliant pathway**, enhancing attractiveness of RWE share to ESG focused investors
- **Strong emphasis on Just Transition. Comprehensive set of measures agreed to exit** lignite operations **in a socially responsible way** and support structural economic changes in the affected regions
- **Further growth opportunities for RWE's green core business** via increased wind and solar buildout in former mining areas as well as approx. 3 GW of flexible H2 ready gas plants on existing sites

RWE's 2030-green portfolio[1]



[1] Net capacity includes CEB's assets of 3.1 GW and expected buildout.

Short-term energy security enhanced by extending existing generation capacity until winter 23/24



- **Generation volumes will be sold in the wholesale market**
- **Earnings are subject to an expected regulation regarding price caps**

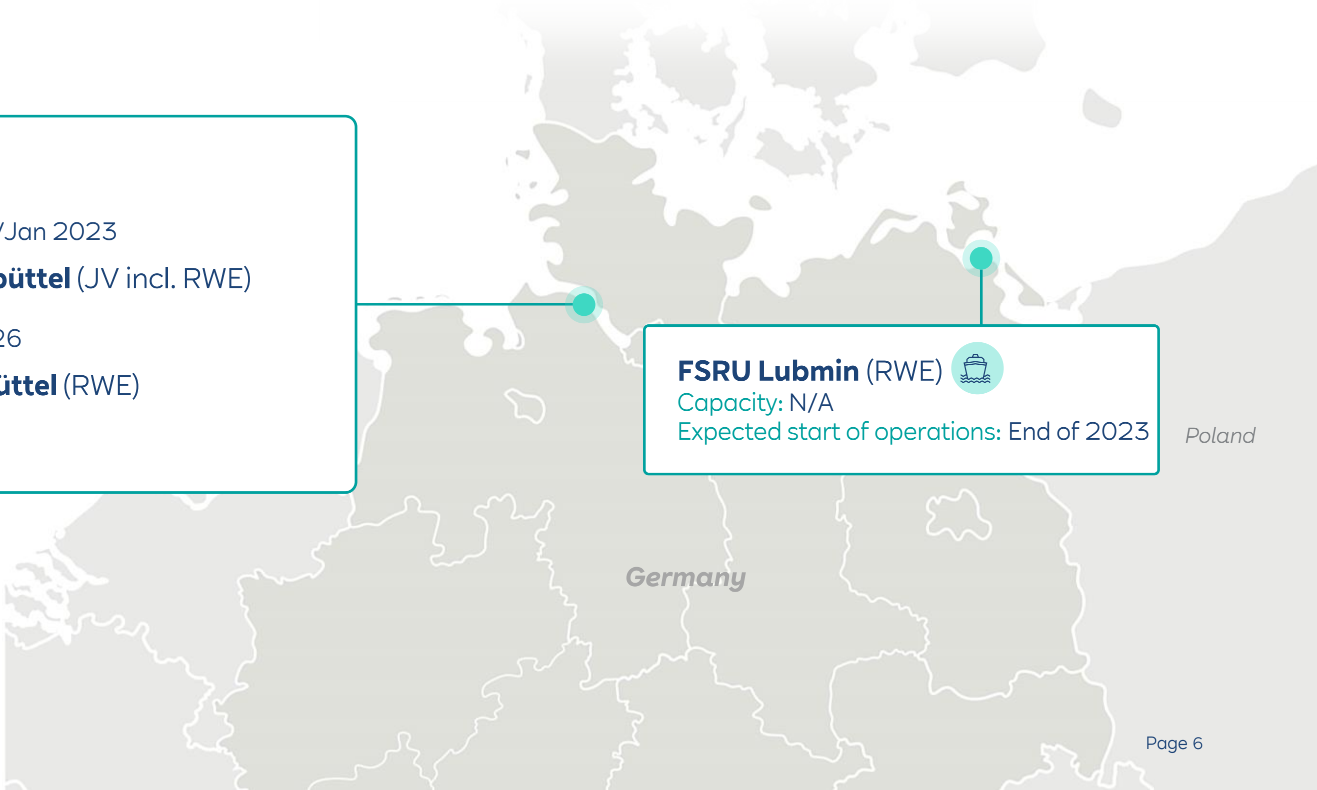
[1] Option by German government to extend operations in wholesale market or hold in reserve until Mar 2025.

Contribution to security of supply through investments in LNG import infrastructure

FSRU Brunsbüttel (RWE)
Capacity: 7.5 bcm[1]
Expected start of operations: End 2022/Jan 2023

Land-based LNG terminal Brunsbüttel (JV incl. RWE)
Capacity: 8.0 bcm
Expected start of operations: End of 2026

Green Ammonia terminal Brunsbüttel (RWE)
Capacity: 300,000 tonnes p.a.
Expected start of operations: 2026



FSRU Lubmin (RWE)
Capacity: N/A
Expected start of operations: End of 2023

[1] Starting with 3.5 bcm. Ramp up to 7.5 bcm expected beginning of 2024.
FSRU: Floating Storage and Regasification Unit

Step up of RWE's footprint in attractive US renewables market with acquisition of >3 GW Con Edison Clean Energy Businesses

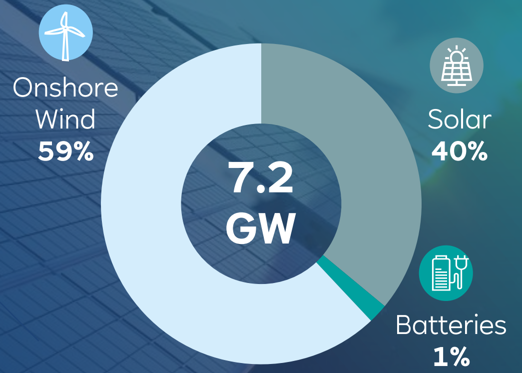
- **With acquisition RWE achieved leading position** in highly attractive US renewables market
- **Strong growth outlook for US renewables** from massive push for green energy buildout. Attractive, stable and long-term investment framework from Inflation Reduction Act (IRA)
- **Acquisition of CEB perfectly complements RWE's existing US business:**
  - >3 GW asset base delivering strong cash flow contribution (EBITDA ~USD600m)
  - Creating a balanced portfolio across regions and technologies
  - Additional pipeline of >7 GW to deliver 500+ MW p.a.
  - Powering up with highly experienced team
- **Acquisition and future additional growth funded** through equity measure via mandatory convertible bond with QIA. Net income accretive from year 1

Leading US market position from combined US portfolio

No 2 US Solar

No 4 US Wind & Solar

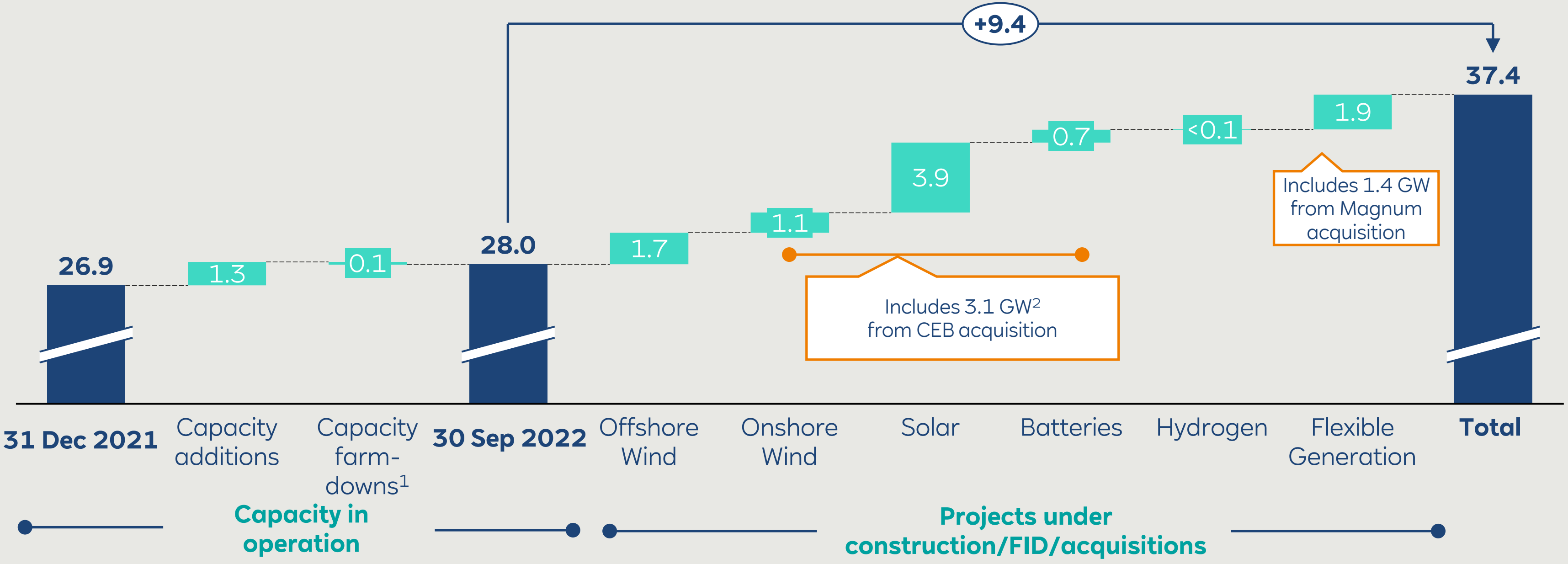
Combined US portfolio of operating assets



[1] Data as of 31 Dec 2021.

Delivery of green growth fast tracked with capacity additions of 9.4 GW underway

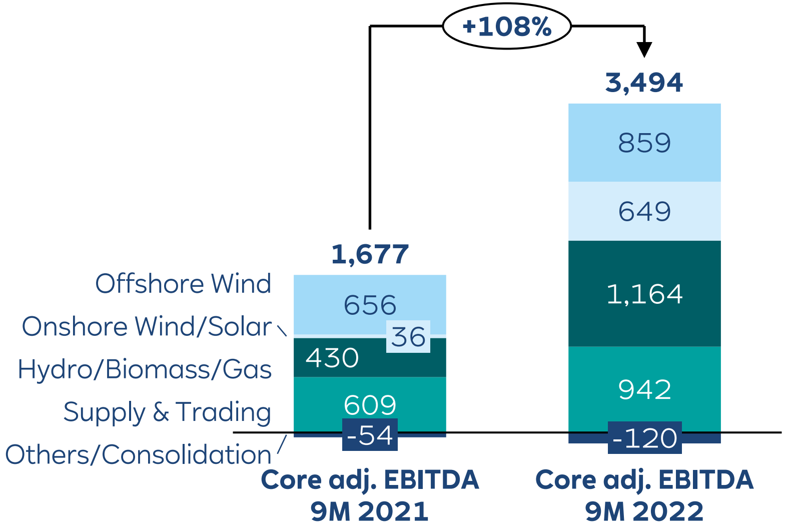
Development of our green generation portfolio, GW pro rata



Note: Rounding differences may occur. | [1] Includes capacity closures, changes after repowering etc. | [2] Data as of 31 Dec 2021.

Strong performance in the core business while previous year was marked by a negative one-off

Core adj. EBITDA 9M 2022 vs. 9M 2021, € million



- **Offshore Wind** earnings up on the back of capacity additions including Rampion consolidation effect, better wind conditions and higher power prices
- **Onshore Wind/Solar** earnings marked by the absence of one-off effects (Texas cold snap, book gains), higher power prices, capacity additions and better wind conditions
- **Hydro/Biomass/Gas** earnings driven by higher generation margins and strong short-term asset optimisation
- **Supply & Trading** delivered exceptionally good earnings even above last year's very strong result

Adj. EBITDA for RWE Group, incl. Coal/Nuclear amounts to **€4,127 million (+72% vs prev. year)**

Strong adj. net income on the back of the successful operational performance

Adj. net income, € million

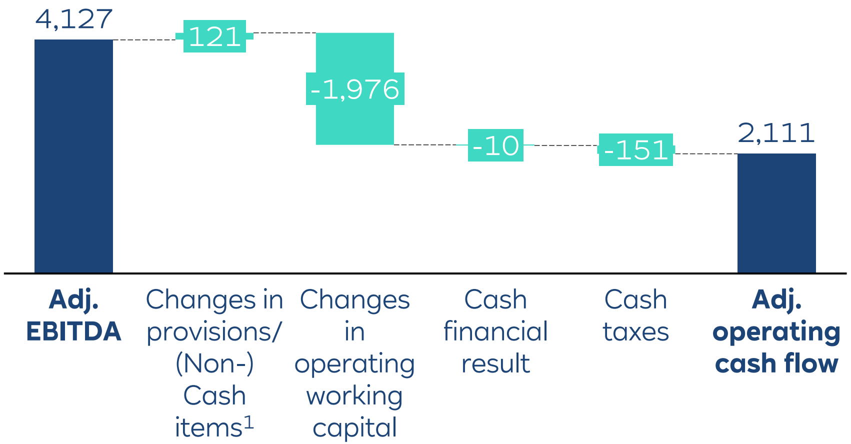
9M 2021		9M 2022
2,397	**Adj. EBITDA 9M 2022**	**4,127**
-1,058	Adj. depreciation	-1,162
1,339	**Adj. EBIT**	**2,965**
-111	Adj. financial result	-282
-184	Adj. tax	-403
-19	Adj. minority interest	-162
1,025	**Adj. net income 9M 2022**	**2,118**

- **Adj. EBITDA** driven by strong operational performance
- **Adj. depreciation** increases in line with growth investments
- **Adj. financial result[1]** lower mainly due to lower interest result from higher liquidity requirements in volatile commodity markets
- **Adj. tax[2]** applying general tax rate of 15% for the RWE Group
- **Adj. minority interest** up based on strong operational performance and higher capacity in the wind/solar business

[1] Temporary gains/losses arising from valuation of hedges for FX derivatives we no longer show in the adjusted financial result, but in the non-operating result. Correspondingly adjusted prior-year figure. |
[2] General tax rate of 15% is based on a blended calculation of local tax rates, the use of loss carry forwards and low taxed dividend income, e.g. from E.ON and Amprion. | Adjusted prior-year figure, see f.n. 1.

Adj. operating cash flow marked by high operating working capital from injections of gas into storage facilities

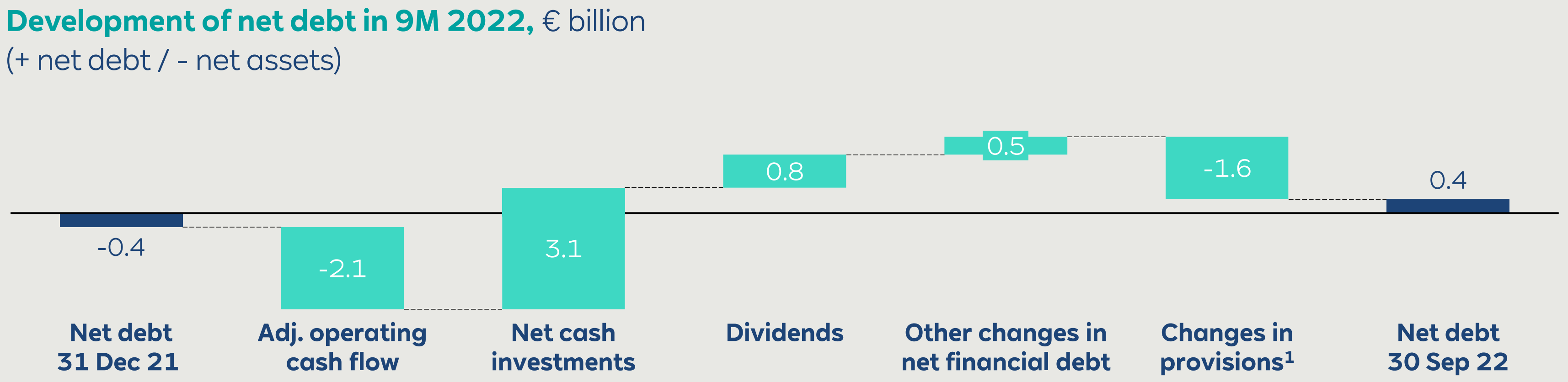
Reconciliation to adj. operating cash flow for 9M 2022
€ million



- **Changes in provisions/(Non-) Cash items** includes restructuring and legacy provisions
- **Changes in operating working capital:** Mainly increase in working capital due to injections of gas into storage facilities (increase in inventories; volume and price effect)
- **Cash financial result** mainly includes receipt of E.ON dividend while interest payments were compensating

[1] Excludes nuclear provisions since utilisation is not net debt effective and will be refinanced via financial debt.

Net debt increased to €0.4bn mainly due to green growth investments



- **Net cash investments** into green growth include seabed lease payment for 3 GW gross from NY Bight auction
- **Other changes in net financial debt** include mainly timing effects such as variation margins from hedging and trading activities
- **Changes in provisions** driven by decrease of pension provisions due to higher discount rates albeit a partly compensating effect from a negative performance of plan assets

[1] Includes pension and wind/solar provisions but excludes nuclear provisions as they are not part of adj. operating cash flow. | Note: Rounding differences may occur.

Outlook for FY 2022 reiterated

Group outlook FY 2022, € million

Core adj. EBITDA	**4,300 – 4,800**
Adj. EBITDA RWE Group	**5,000 – 5,500**
Depreciation	~-1,600
Adj. EBIT	**3,400 – 3,900**
Adj. Financial result	~-450
Adj. Tax	15%
Adj. Minorities	~-350
Adj. Net income	**2,100 – 2,600**
Dividend target	**€0.90 per share**

Divisional outlook FY 2022– adj. EBITDA, € million

Offshore Wind	**1,350 – 1,600**
Onshore Wind/Solar	**900 – 1,100**
Hydro/Biomass/Gas	**1,400 – 1,700**
Supply & Trading	**Significantly >350**
Other/Consolidation	**~-150**
Coal/Nuclear	**650 – 750**

Note: as of July 2022.

Appendix

Core

Offshore Wind: Earnings up due to capacity additions as well as wind and market conditions

Key financials
9M 2022 – Offshore Wind

€ million	9M 2022	9M 2021	change
Adj. EBITDA	**859**	**656**	**203**
t/o non-recurring items	-	-	-
Depreciation	-436	-331	-105
Adj. EBIT	**423**	**325**	**98**
t/o non-recurring items	-	-	-
Gross cash investments[1]	**-1,463**	**-1,460**	**-3**
Gross cash divestments[1]	**+21**	**+28**	**-7**

Adj. EBITDA 9M 2022 vs. 9M 2021

- + Higher earnings from capacity additions to portfolio, including Rampion full consolidation[2]
- + Higher earnings as a result of better wind resource
- + Higher power prices for unhedged volumes

Outlook 2022
€1,350m – €1,600m

Adj. EBITDA Outlook 2022 vs. FY 2021

- + Higher earnings due to portfolio additions
- + Consolidation effect from Rampion for a full year
- + Higher power prices, partly offset by lower ROC recycle value
- + Higher earnings from return to normalised weather conditions

[1] Gross cash (di-)investments: Sum of (di-)investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures. | [2] RWE stake increased by 20% to 50.1% as of 1 Apr 2021.

Onshore Wind/Solar: Good performance and lack of negative one-offs

Key financials
9M 2022 – Onshore Wind/Solar

€ million	9M 2022	9M 2021	change
Adj. EBITDA	**649**	**36**	**613**
t/o non-recurring items	-	-274	274
Depreciation	-339	-294	-45
Adj. EBIT	**310**	**-258**	**568**
t/o non-recurring items	-	-274	274
Gross cash investments[1]	**-1,295**	**-1,049**	**-246**
Gross cash divestments[1]	**+10**	**+495**	**-485**

Adj. EBITDA 9M 2022 vs. 9M 2021

- + No one-off effects (+ Texas cold snap | - book gains from farm-down)
- + Higher power prices for unhedged volumes
- + Increase in earnings from capacity additions
- + Higher earnings as a result of better wind resource

Adj. EBITDA Outlook 2022 vs. FY 2021

Outlook 2022
€900m – €1,100m

- + No one-offs assumed
- + Higher power prices for unhedged volumes
- + Increase in earnings from capacity additions
- + Higher earnings from return to normalised weather conditions
- – Increased development expenses for mid-to-long-term growth

[1] Gross cash (di-)investments: Sum of (di-)investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures.

Core

Hydro/Biomass/Gas: Strong earnings development in volatile markets

Key financials
9M 2022 – Hydro/Biomass/Gas

€ million	9M 2022	9M 2021	change
Adj. EBITDA	**1,164**	**430**	**734**
t/o non-recurring items	-	-	-
Depreciation	-236	-228	-8
Adj. EBIT	**928**	**202**	**726**
t/o non-recurring items	-	-	-
Gross cash investments[1]	**-286**	**-143**	**-143**

Adj. EBITDA 9M 2022 vs. 9M 2021

- \+ Higher generation margins, despite lower income from GB capacity payments
- \+ Higher earnings from strong short-term asset optimisation
- − Lower earnings due to unplanned outage at Claus C (Jan – mid Apr 22)

Adj. EBITDA Outlook 2022 vs. FY 2021

Outlook 2022
€1,400m – €1,700m

- \+ Higher generation margins partly compensated by lower income from GB capacity payments
- \+ Higher earnings contribution from short-term asset optimisation
- \+ One-off from sale of land at former GB generation asset
- − Lower earnings due to unplanned outage at Claus C

[1] Gross cash investments: Sum of investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures. | Note: Including 37.9% stake in Kelag.

Core

Supply & Trading: Outstanding performance across S&T business

Key financials
9M 2022 – Supply & Trading

€ million	9M 2022	9M 2021	change
Adj. EBITDA	**942**	**609**	**333**
t/o non-recurring items	-	-	-
Depreciation	-31	-35	4
Adj. EBIT	**911**	**574**	**337**
t/o non-recurring items	-	-	-
Gross cash investments[1]	**-28**	**-48**	**20**

Adj. EBITDA 9M 2022 vs. 9M 2021

+ Strong earnings across commodities and regions

Outlook 2022
Significantly >€350m

Adj. EBITDA Outlook 2022 vs. FY 2021

+ Strong earnings across commodities and regions

[1] Gross cash investments: Sum of investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures.

Coal/Nuclear: Lower generation margins mainly related to capacity closures

Key financials
9M 2022 – Coal/Nuclear

€ million	9M 2022	9M 2021	change
Adj. EBITDA	**633**	**720**	**-87**
t/o non-recurring items	-	-	-
Depreciation	-119	-171	52
Adj. EBIT	**514**	**549**	**-35**
t/o non-recurring items	-	-	-
Gross cash investments[1]	**-137**	**-135**	**-2**

Adj. EBITDA 9M 2022 vs. 9M 2021

- Lower generation margins mainly due to capacity closures partly compensated by related cost savings, higher utilisation of plants and short-term asset optimisation
- Costs associated with 0.9 GW from lignite reserve coming back online

Outlook 2022
€650m – €750m

Adj. EBITDA Outlook 2022 vs. FY 2021

- Lower generation margins due to capacity closures in nuclear and lignite partly compensated by related cost savings and higher utilisation of plants

[1] Gross cash investments: Sum of investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures.

Economic net debt

Net assets / net debt (€ million)	30 Sep 2022	31 Dec 2021	+/-
Cash and cash equivalents	3,307	5,825	-2,518
Marketable securities	4,531	8,347	-3,816
Other financial assets	25,000	12,403	12,597
Financial assets	**32,838**	**26,575**	**6,263**
Bonds, other notes payable, bank debt, commercial paper	-18,968	-10,704	-8,264
Hedging of bond currency risk	36	-9	45
Other financial liabilities	-7,756	-7,090	-666
Financial liabilities	**-26,688**	**-17.803**	**-8,885**
Plus 50% of the hybrid capital stated as debt	310	290	20
Net financial assets (including correction of hybrid capital)	**6,460**	**9,062**	**-2,602**
Provisions for pensions and similar obligations	-783	-1,934	1,151
Surplus of plan assets over benefit obligations	656	459	197
Provisions for nuclear waste management	-5,750	-6,029	279
Provisions for dismantling wind and solar farms	-943	-1,198	255
Net assets (+) / net debt (–)	**-360**	**360**	**-720**

Net debt definition

- Net debt does not contain mining provisions, which essentially cover our obligations to recultivate opencast mining areas
- Financial assets we currently use to cover these provisions are also not part of the net debt, i.e.
  - €2.6bn claim against the state for damages arising from the lignite phaseout
  - E.ON stake of 15%

Your contacts in Investor Relations

Important Links

- Annual and interim reports & statements
- Investor and analyst conferences
- IR presentations & factbooks
- IR videos
- Consensus of analysts' estimates

ADR programme available

Further information on our homepage
RWE shares/ADR

Contact for ADR-holders at BNY Mellon
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1-888-269-2377 (within the US)

Financial Calendar

- **21 March 2023**
  Annual report for fiscal 2022
- **04 May 2023**
  Annual General Meeting
- **11 May 2023**
  Interim statement on the first quarter of 2023
- **10 August 2023**
  Interim report on the first half of 2023
- **14 November 2023**
  Interim statement on the first three quarters of 2023

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