

## Press Release

### RWE confirms forecast and forges ahead on transformation with high levels of capital expenditure

- **First quarter of 2021 impacted by weather effects – adjusted EBITDA reaches €883 million, adjusted net income €340 million**
- **Capital expenditure in first quarter increased to €1,037 million – almost double Q1 2020 level**
- **Portfolio of wind power and solar plants as well as storage systems to grow to more than 13 gigawatts by 2022 – 3.7 gigawatts currently under construction with commissioning planned in 2022**

Essen, 12 May 2021

**Michael Müller, Chief Financial Officer of RWE AG:**

“The result for the first quarter meets our expectations. We confirm our forecast and uphold the proposed increase in the dividend thanks to the bright medium- and long-term earnings prospects in our core business. We are making good progress with the expansion of renewables and are strengthening our position as one of the world’s leading players. Our high level of capital expenditure shows that we are speeding up the pace of our transformation. Hardly any company is changing as radically and as fast as RWE.”

RWE is forging ahead with its transformation and is investing billions of euros in the expansion of its renewable energy portfolio. The company is currently building wind power and solar plants as well as battery storage systems with an installed capacity of 3.7 gigawatts (GW). More than 20 of these plants, accounting for a total installed capacity of about 2 GW, will start commercial operation as the year progresses.

In the first quarter, RWE achieved adjusted EBITDA (adjusted earnings before interest, taxes, depreciation and amortisation) of €883 million, compared to €1,324 million in the same period in 2020. The decline in earnings can be attributed to the extraordinary burdens incurred due to the worst cold snap in a century in Texas and the fact that wind volumes in Northern and Central Europe were well below the above-average high levels experienced in the previous year. By contrast, the Supply & Trading business performed very well once again. Adjusted EBIT reached €548 million, compared to €967 million in the same quarter of the previous year; adjusted net income was €340 million, in the first 3 months of 2020, this figure was €614 million.

# RWE

## Earnings forecast and dividend statement confirmed

The forecast for the current financial year remains unchanged. For fiscal 2021, RWE expects to achieve adjusted EBITDA of between €2.65 billion and €3.05 billion at Group level; in its core business, adjusted EBITDA should amount to between €1.8 billion and €2.2 billion. The forecast for adjusted EBIT is between €1.15 billion and €1.55 billion, and for adjusted net income the target is between €0.75 billion and €1.1 billion. The dividend statement is confirmed: For the current financial year, the Executive Board of RWE AG is aiming to increase the dividend to €0.90 per share.

## Weather effects impact on earnings of Offshore and Onshore Wind/Solar

In its core business with the Offshore Wind, Onshore Wind/Solar, Hydro/Biomass/Gas and Supply & Trading segments, RWE achieved adjusted EBITDA of €555 million in the first 3 months of 2021. The figure for the same quarter last year was €1,042 million.

**Offshore Wind:** Adjusted EBITDA in the Offshore Wind segment was €297 million for the first quarter, compared to €431 million for the same period in the previous year. A key factor here were wind volumes in Northern and Central Europe, which were well below the above average high levels of the previous year. For the current year, RWE expects adjusted EBITDA of between €1,050 million and €1,250 million for this segment.

**Onshore Wind/Solar:** In the first 3 months of 2021, the Onshore Wind/Solar segment recorded an adjusted EBITDA of -€119 million. In the previous year's quarter, adjusted EBITDA amounted to €221 million. The main drivers here were the losses caused by extreme weather events in Texas, which totalled about €400 million. Additional burdens resulted from below-average wind conditions at onshore wind farm locations in Northern and Central Europe. The capital gain from the sale of shares in 3 US onshore wind farms had an opposing effect. For the current year, RWE expects adjusted EBITDA of between €50 million and €250 million for this segment.

**Hydro/Biomass/Gas:** With adjusted EBITDA of €213 million, business in the Hydro/Biomass/Gas segment reached the previous year's level, which amounted to €217 million. The wood pellet production activities in the US that were sold in mid-2020 no longer contributed to earnings. Slightly higher payments received on the British capacity market, however, had a positive impact. For the current year, RWE expects adjusted EBITDA for this segment of between €500 million and €600 million.

**Supply & Trading:** The Supply & Trading business once again recorded a very strong performance. Adjusted EBITDA reached €189 million, exceeding the already very high prior-year level of €170 million. For fiscal 2021, RWE expects adjusted EBITDA of between €150 million and €350 million in this segment.

# RWE

## Solid result outside of core business

Adjusted EBITDA in the Coal/Nuclear segment was €328 million, compared to €282 million for the same period in the previous year. Higher wholesale prices were achieved for electricity from lignite and nuclear power plants compared to 2020. For the year as a whole, RWE continues to expect adjusted EBITDA of between €800 million and €900 million for this segment.

## Capital expenditure almost doubled compared to Q1 2020

RWE invested €1,037 million in the first 3 months of 2021, almost double the figure for the same period in the previous year. By far the greatest share of this amount, €963 million, was invested in new wind power and solar plants as well as battery storage. RWE will maintain this pace and invest much more during the current financial year than in 2020. More than 90% of RWE's capital expenditure meets the taxonomy criteria for environmentally sustainable investments proposed by the EU Commission.

## Financial situation further improved

RWE's financial situation improved once again. Net debt was down to €2.8 billion. This was due mainly to temporary effects from hedging transactions and a decline in provisions for pensions as a result of an increase in discount rates. The equity ratio increased once again, to 31.1% (as at 31 March 2021); as at the end of 2020, this figure was 28.7%.

### Key figures at a glance

€ million	Outlook 2021	January-March 2021	January-March 2020
Adjusted EBITDA Offshore Wind	1,050 - 1,250	297	431
Adjusted EBITDA Onshore Wind/Solar	50 - 250	-119	221
Adjusted EBITDA Hydro/Biomass/Gas	500 - 600	213	217
Adjusted EBITDA Supply & Trading	150 - 350	189	170
<b>Adjusted EBITDA Core business</b>	<b>1,800 - 2,200</b>	<b>555</b>	<b>1,042</b>
Adjusted EBITDA Coal/Nuclear	800 - 900	328	282
<b>Adjusted EBITDA Group</b>	<b>2,650 - 3,050</b>	<b>883</b>	<b>1,324</b>
<b>Adjusted EBIT</b>	<b>1,150 - 1,550</b>	<b>548</b>	<b>967</b>
<b>Adjusted net income</b>	<b>750 - 1,100</b>	<b>340</b>	<b>614</b>

### For enquiries:

Stephanie Schunck  
RWE AG  
Head of Group Corporate  
Communications & Public Affairs  
T +49 (0) 201 5179-5177  
M +49 (0) 162 26 555 88  
[stephanie.schunck@rwe.com](mailto: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 73 29  
[vera.buecker@rwe.com](mailto:vera.buecker@rwe.com)



## **RWE AG**

RWE is one of the world's leading renewable energy companies. It has capacity of around 11 gigawatts based on renewable energy, including hydropower and biomass as well as a highly efficient gas fleet and an international energy trading business. RWE wants to expand this position by investing in onshore and offshore windpower, photovoltaics and storage technologies. As a driver of the energy transition, the company also focusses on innovative projects such as floating offshore as well as the generation and use of hydrogen. At the same time, RWE is responsibly phasing out nuclear energy and coal. Government-mandated phaseout roadmaps have been defined for both of these energy sources. The company has a total of around 41 gigawatts of generating capacity in its portfolio and employs around 20,000 people worldwide. RWE has a clear ambition: to be carbon-neutral by 2040. On its way there, the company has set itself ambitious targets for all activities that cause greenhouse gas emissions. The renowned Science Based Targets initiative has scientifically confirmed that these emission reduction targets are in line with the Paris Agreement.

## **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.*

## **German General Data Privacy regulation**

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