



Press conference on the occasion of RWE's Capital Markets Day

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Speech of Dr Markus Krebber, CEO of RWE AG

and Dr Michael Müller, CFO of RWE AG

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Ladies and gentlemen,

Welcome to our press conference on the occasion of our Capital Markets Day from the City of London.

Two years ago, we launched our major investment and growth programme Growing Green. With Growing Green, we presented our strategy for how we want to develop RWE by 2030 for the first time. We had ambitious plans. RWE was to become greener, bigger and more valuable. Today it is time to take stock and take a look at how far we have come.

We have been driving forward the transformation of our company at a rapid pace since 2021. Despite the challenges of recent years, first and foremost the energy crisis.

We have delivered on our promises. Both operationally and financially. And we have even exceeded our targets. We have grown profitably. We have exceeded our earnings guidance every year in the last three years. Since 2021, we have invested 20 billion euros net. We have expanded our green portfolio by 9 gigawatts to 35 gigawatts. And we currently have 100 additional projects with a total capacity of 7.8 gigawatts under construction in 10 countries.

Thanks to our own business development and strategic acquisitions, we have established RWE as one of the leading companies in the field of renewable energy in Europe, the UK and the US. We have significantly strengthened our project development pipeline. And our global Team RWE, which is driving forward the energy transition, has grown by 2,800 since 2021.



I am happy to be able to say: Today, RWE is greener, bigger and more valuable.

With Growing Green, we have not only focused on expanding our portfolio. But also the decarbonisation of all our activities. With a clear goal: becoming net-zero by 2040. Last year, we agreed with the German government and the state government of North Rhine-Westphalia that RWE would phase out coal as early as 2030. Eight years earlier than previously planned.

We are thus reducing our CO₂ emissions in line with the 1.5-degree target. We expect the renowned Science Based Targets initiative to confirm this in the spring.

Ladies and gentlemen,

Investment in green technologies is shaping our sector and the entire industrial environment. In addition, the energy crisis has put the issue of energy security back into the political and public spotlight.

RWE is perfectly positioned for this with its strategy and integrated business model: renewables combined with flexible and firm generation capacity based on modern and increasingly green technologies. And complemented by our global energy trading business with its market and commercialisation expertise.

At the same time, it is absolutely clear that there is a significant need for investment in the energy sector in all of our core markets in this decade. It is not a question of investing here or there.

There are investment options everywhere, because all countries are working on making their energy systems sustainable and secure. We have the prerequisites and capabilities to significantly accelerate our growth once again in this environment.

There are three reasons why we can increase our targets:

First: Our solid balance sheet and high cash-generating operating portfolio give us significant financial headroom and flexibility.



Second: Our attractive project pipeline of future investment opportunities allows us to pick and choose the investments with the most attractive risk-return profile.

And third: Our teams have many years of experience and extensive knowledge along the entire value chain: from origination and development, to construction and operations, right through to the successful commercialisation of our projects.

Based on this, we are capable of delivering even more ambitious investment and growth targets than before. We will invest even more in the energy transition. I would now like to present to you in detail what we have planned through to the end of the decade.

We will increase our investments: In the years 2024 to 2030, we want to globally invest 55 billion euros net. In renewables, batteries, flexible generation and hydrogen projects.

We will also accelerate our capacity additions: In 2030, our portfolio will consist of more than 65 gigawatts of generation capacity. This translates to more than 30 gigawatts of net capacity additions to our green portfolio by the end of the decade. Our growth ambitions are backed by our extensive global project pipeline. Today, our total pipeline stands at more than 100 gigawatts across all technologies. This means: Compared to 2021, we have almost doubled the capacity of our development pipeline.

How will we proceed ?

Our extensive pipeline, broadly diversified across all technologies and markets, allows us to choose those investments with the most attractive risk-return profile. We apply strict investment criteria when deciding which projects we actually realise. Across all regions and technologies, our average internal rate of return for new projects is 8 per cent.

We also have a clear picture when it comes to the question of where and in which technologies we will invest. Our existing core markets remain our strategic focus. First and foremost our German domestic market, the UK and the US.

We also want to continue to grow in the other European core markets and in selected markets in APAC. These are Australia, Japan and Korea.



More than half of the 55 billion euros net that we plan to invest in the years 2024 to 2030 is earmarked for Europe.

Germany is and will remain one of our most important markets. We intend to spend 20 per cent of our total investments in our domestic market in the next seven years. This means that we want to invest around 11 billion euros net, which represents an increase of 20 per cent compared to our previous investment plans for the entire decade. We have focused on putting our onshore and solar business in Germany on a broader footing over the past two years. The energy transition is happening locally. That is why we have opened seven regional offices in Germany. This brings us closer to the communities in which we realise projects.

In addition, in the offshore business, following the successful commissioning of Kaskasi, we have secured the next major project off the German coast with Nordseecluster. And finally, we want to build hydrogen-ready gas-fired power plants, batteries and electrolyser capacity in Germany.

Today, the United Kingdom accounts for the largest share of our green portfolio. We want to continue to grow here and maintain the pace of investment. In the years from 2024 to 2030, a net total of around 8 billion euros is set to be invested in our projects in the UK.

In addition, the USA remains another focal point of our investment activities. With our successful acquisition at the beginning of the year, RWE has become the number 4 in renewable energy and the number 2 in solar in the US. And in the offshore business, the first offtake contract has been awarded to one of our projects. We want to further strengthen our leading market position in the US. That is why we have earmarked around 20 billion euros net for future investments here.

And we are making further investments in Europe and APAC.



Ladies and gentlemen,

We are allocating our investments not only to different markets, but also to different technologies. We are positioning ourselves more broadly. In addition to offshore and onshore wind, we are focusing more strategically than before on solar energy and batteries.

40 per cent of the planned 55 billion euros net is to be invested in the expansion of our onshore wind and solar business. Our installed capacity in the onshore wind sector is set to increase from 8.6 gigawatts today to 14 gigawatts by 2030. We will make by far the biggest leap in solar energy. We are massively expanding our solar portfolio from the current 3.9 gigawatts to 16 gigawatts by the end of the decade.

In offshore wind, we want to maintain our leading position. That is why we have earmarked 35 per cent of our capital expenditure for offshore projects. We are set to triple our offshore capacity, reaching 10 gigawatts by 2030. Our target of 10 gigawatts is backed by defined projects. Our build-out plan includes two offshore wind projects currently under construction, Sofia in the UK and Thor in Denmark.

We also have several projects under development in numerous countries, which will be commissioned over the coming years until 2030.

This includes, to name but a few:

In Germany, our Nordseecluster off the island of Juist with 1.6 gigawatts. In the Netherlands OranjeWind and in Ireland Dublin Array, each with 0.8 gigawatts. And in the US the first phase of our project Community Offshore Wind with 1.0 gigawatts. For this project, we were awarded an offtake contract by the state of New York a month ago at an attractive price.

The offshore wind industry is currently in a difficult situation, even though it is absolutely undisputed that this technology is indispensable for the transformation of the energy system. For RWE, I can be very clear: We are realising our offshore projects as planned. Not one of our offshore projects under construction or in development is affected by economic difficulties.



One key reason: we have prepared ourselves for the challenges in the supply chain. Thanks to our proactive risk management, we have made timely purchases from our suppliers and at the same time diversified our supplier base.

In addition to the profitable expansion of our portfolio, sustainability is a key part of our renewable energy projects. This is because we want to operate our renewables assets in harmony with the ecosystem. To this end, we rely on innovations such as recyclable rotor blades for offshore wind. The first ones are already turning at our German offshore wind farm Kaskasi. They will soon also be used in our Sofia and Thor projects. And that is just one example of many.

Flexible generation capacities are the backbone of the energy transition. Where processes cannot be electrified, hydrogen comes into play. This is why 25 per cent of our investments up to the end of the decade are earmarked for batteries, flexible generation plants and hydrogen.

Batteries are playing an increasingly important role in our energy system. This is because they buffer the intermittency of renewables and thus ensure grid stability. We therefore want to significantly grow our battery portfolio from the current 0.5 gigawatts to 6 gigawatts over the next seven years.

The build-out of hydrogen-ready gas-fired power plants is key to the security of supply in many countries. This is particularly true for Germany, where we want to end coal-fired power generation by 2030. We therefore plan to build at least 3 gigawatts of hydrogen-ready gas assets by 2030. Unfortunately, however, there is still no regulatory framework in place to enable these investments. We are urgently waiting for this.

Depending on the regulatory framework, we could significantly increase our targets.

In addition to new-build hydrogen-ready gas-fired power plants, we at RWE are working on making our gas fleet capable of net-zero operations. In lighthouse projects in the Netherlands and the UK, we are investigating the conversion of assets to hydrogen as well as CCS. This is another key technology for the decarbonisation of our economy.

Another element of our future portfolio is the production of green hydrogen. Our objective is to have 2 gigawatts of our own electrolyser capacity by the end of the decade.



We are already involved in numerous projects with partners in Germany, the UK and the Netherlands.

In Wales, we are progressing our electrolyser project to enable the production of hydrogen by 2027 as part of the Pembroke Net Zero Centre. As part of our OranjeWind project in the Netherlands, we are developing our electrolyser site to deliver the first of its kind offshore wind and hydrogen system integration project by 2028.

And as part of “Get H2 Nukleus” in Lingen, Germany, our 14 megawatt pilot plant is scheduled to be commissioned in the spring. Furthermore, we have received permission for the construction and operation of a further 200 megawatts, and are waiting for the green light from Brussels for the funding of the project.

Ladies and gentlemen,

We remain true to our Growing Green strategy and forging ahead at full speed. We are once again increasing our investments significantly so that our green portfolio will grow to more than 65 gigawatts. This will also result in strong earnings growth. In 2030, our adjusted EBITDA is set to be more than 9 billion euros. Our adjusted net income will then be 3 billion euros.

My colleague Michael Müller will now provide you with further details on our financial targets and investment plans.



MICHAEL MÜLLER

Ladies and gentlemen,

A warm welcome also from my side to our press conference. At our last Capital Markets Day two years ago, we committed to deliver value-accretive investments and strict risk management. Furthermore, growth and attractive returns for our shareholders.

And we have delivered on all our commitments. Despite the energy crisis, RWE has grown profitably and sustainably. We have met our profitability targets for all our investments. We have proved our financial strength in particular during the energy crisis. We always had a firm grip on our liquidity, thanks to our strong and broad core bank portfolio.

We have optimally managed the risks on the commodity markets even in extreme market conditions. And our strong investment grade rating was never at risk. You can also see how successful we have been from the development of our share performance. We have created a total shareholder return of 24 per cent since our last Capital Markets Day in 2021. This means that the RWE share significantly outperformed the utilities index.

Markus Krebber has just outlined the massive increase in our investments. There is a reason why we are tackling this with confidence and determination: RWE's strong financial headroom.

Our investment and growth programme is fully financed until 2030. We finance around 80 per cent of our financial requirements for investments and dividends from the strong cash flow of our operating business. On top of this comes debt capital.

Thanks to our strong investment grade rating, we are able to borrow at attractive conditions. We ensure that our liabilities have a long-term and balanced profile. This has paid off in view of the rising interest rates over the past two years.

We want the financing of our green growth to also be green, with green bonds or other green and sustainable financing instruments.



With our new Green Financing Framework, which is aligned with the EU taxonomy, we are further strengthening RWE's position in the market for green financing instruments. 'Sustainable investment' is of great importance to international investors and banks. This demonstrates the great interest in our green bonds.

Since 2021, RWE has already successfully issued several green bonds with a total nominal volume of 5 billion euros, thereby establishing a strong position on the green financial market. With our financing strategy, we are pursuing a clear goal: we want to maintain our strong investment grade rating in the future.

Our high investments will lead to a steady growth in earnings.

Our adjusted EBITDA will grow by an average of 14 per cent each year during this decade; adjusted EBITDA is expected to amount to more than 9 billion euros in 2030. When we launched Growing Green in 2021, our adjusted EBITDA stood at 2.8 billion euros. Our adjusted net income will grow by an average of 12 per cent each year in this decade – to 3 billion euros in 2030.

We also want our shareholders to participate in this strong earnings growth, which is backed by a new dividend policy. Dividends are set to increase by 5 per cent to 10 per cent annually. The dividend target for the 2024 fiscal year is 1.10 euros per share. For the 2023 fiscal year, we had already announced in March of this year that we intended to pay 1.00 euro per share.

And with this, back to you, Markus.



MARKUS KREBBER

Ladies and gentlemen,

Growing Green is more than the name of our strategy. Growing Green is a commitment to profitable growth. It is our commitment to use this decade for the massive build-out of climate-friendly technologies. We will deliver on this commitment. To date, we have already achieved more than originally planned. And now, we are taking Growing Green to the next level:

55 billion euros of net investments – within seven years.

In 2030, we will operate a broadly diversified portfolio which is well balanced across our European core markets, the US and APAC. About 60 per cent of our total generation capacity will be in wind and solar. Perfectly complemented by batteries, flexible generation and green hydrogen production.

To do this, we are building the most modern plants available worldwide. And we are taking old power plants off the market. This is how we are rapidly decarbonising our portfolio. Always with the clear goal of being net-zero by 2040. Our strategy is in line with the 1.5-degree path. This makes RWE one of the pacemakers of the energy transition.

And now we are looking forward to your questions.

Forward-looking statements

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