



RWE

14 March 2024

Full Year 2023 Results

Markus Krebber, CEO

Michael Müller, CFO

Thomas Denny, Head of Investor Relations

Disclaimer

This document contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management, and are based on information currently available to the management. Forward-looking statements shall not be construed as a promise for the materialisation of future results and developments and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those described in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, affecting the Company, and other factors. Neither the Company nor any of its affiliates assumes any obligations to update any forward-looking statements.

Markus Krebber

Chief Executive Officer, RWE AG



Strong performance in 2023 and path for profitable green growth to 2030

Strong performance in 2023: financial targets exceeded, carbon emissions significantly reduced, more ambitious long term climate targets set - in line with 1.5° emission reduction pathway

Earnings guidance 2024 confirmed at lower end of range despite > 30% decline in European power prices

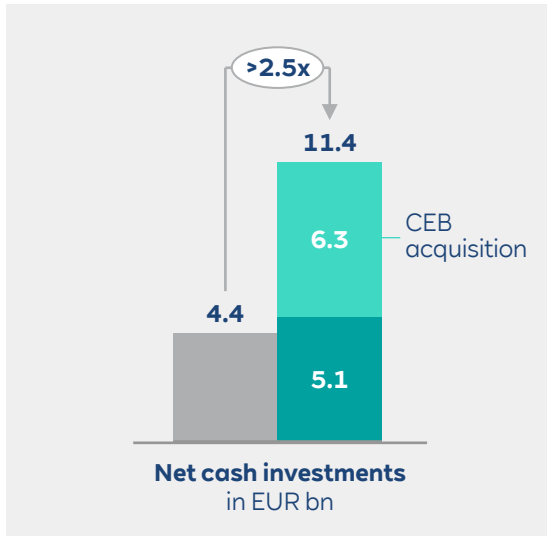
Wind and solar business with high share of secured revenues. Capacity additions in 2023 with almost fully secured long-term earnings

Flexible generation business benefits from increasing share of secured revenues from capacity payments

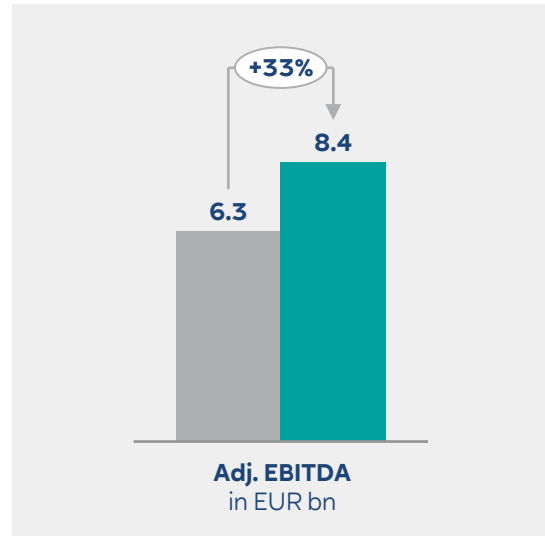
Committed to bottom line growth. Adj. EPS targets for 2027 and 2030 confirmed. We constantly reassess capital allocation in light of changing risk-reward environment

We are well on our way to becoming a global leader in green energy

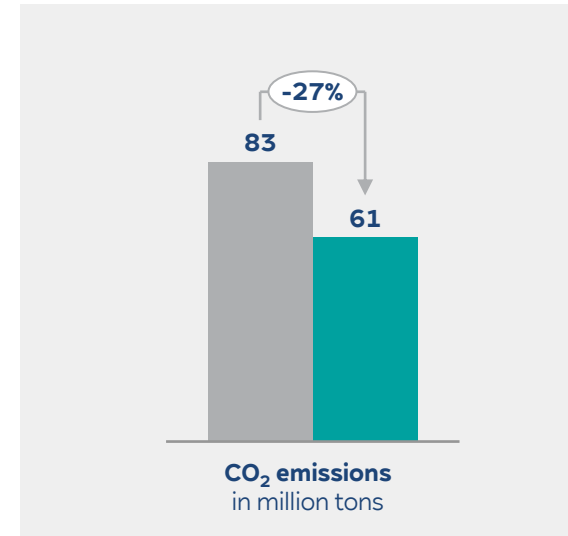
Step up of investments in green growth



Strong operational performance



Significant progress in decarbonisation



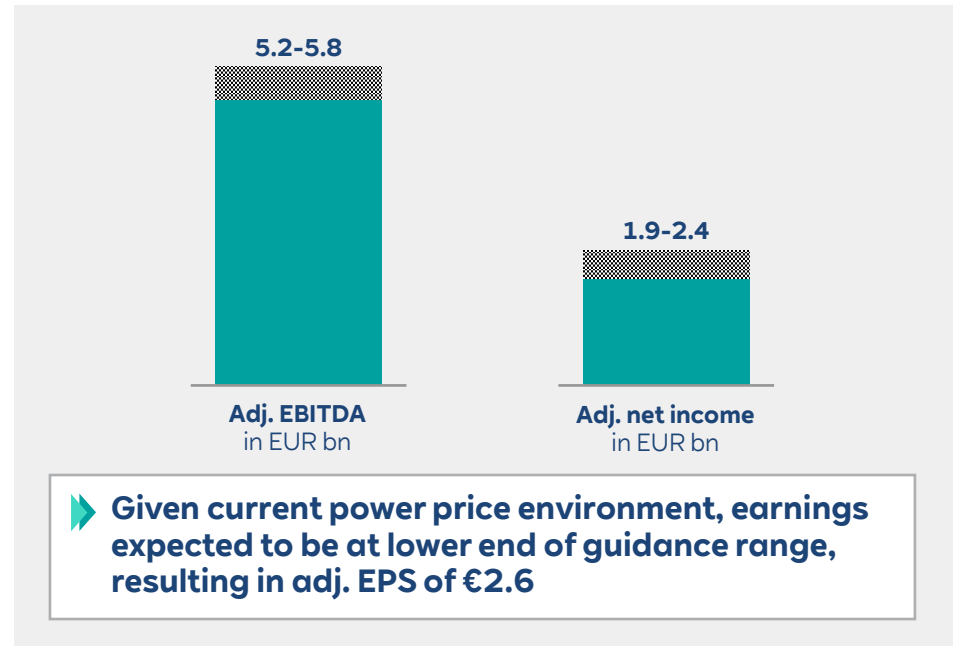
■ FY 2022 ■ FY 2023

We are committed to our guidance, despite strong decline in European power prices

Power prices

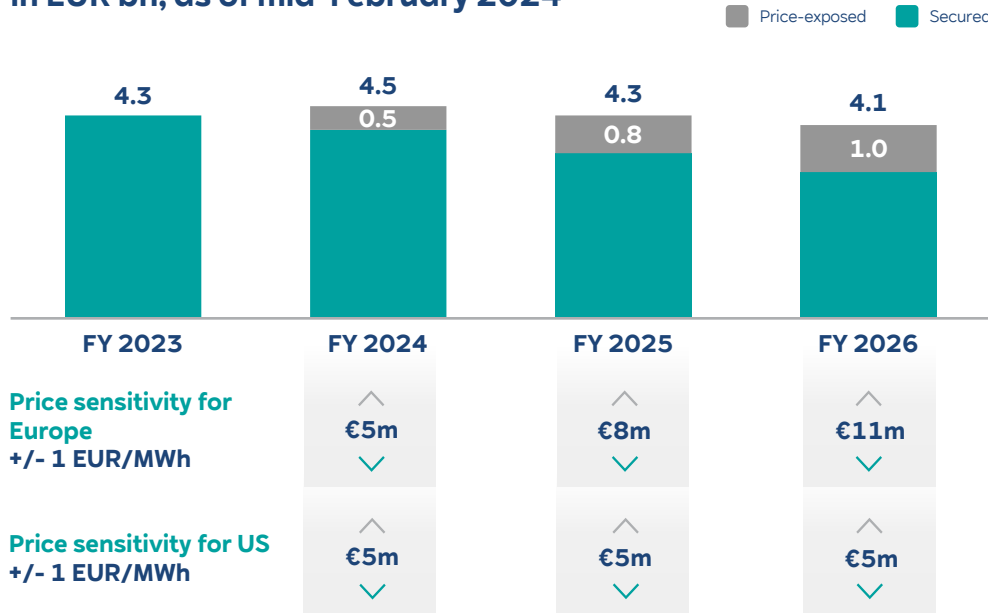


Guidance for FY 2024



Our operating wind and solar business has limited open price exposure

Gross margin wind/solar existing operating assets in EUR bn, as of mid-February 2024

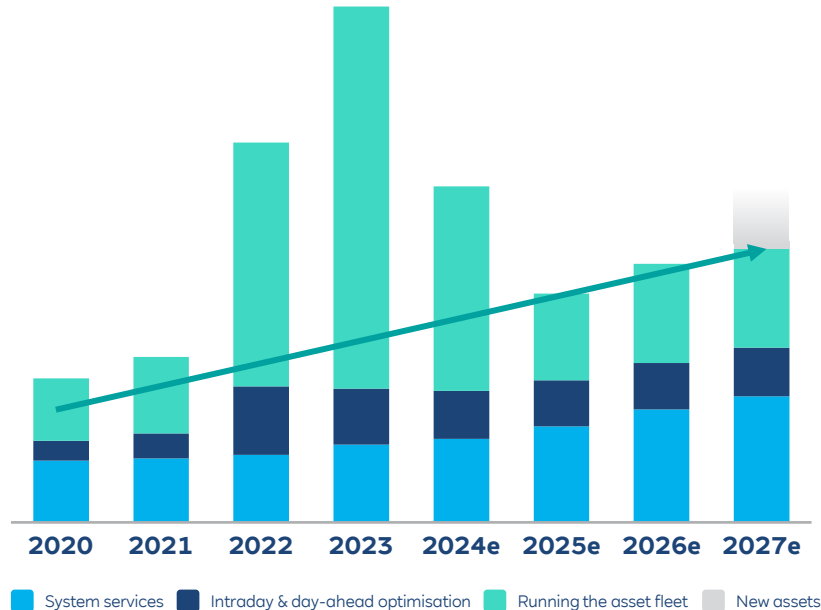


Key price-exposed positions from existing operating assets (pre hedging)

- **UK:** ROC wind assets, thereof 5 TWh offshore, 1 TWh onshore
- **Continental Europe:** onshore wind assets in various European markets 5 TWh
- **US:** onshore wind assets, mostly ERCOT 10 TWh

Flexible generation with increasing share of secured revenues from capacity payments

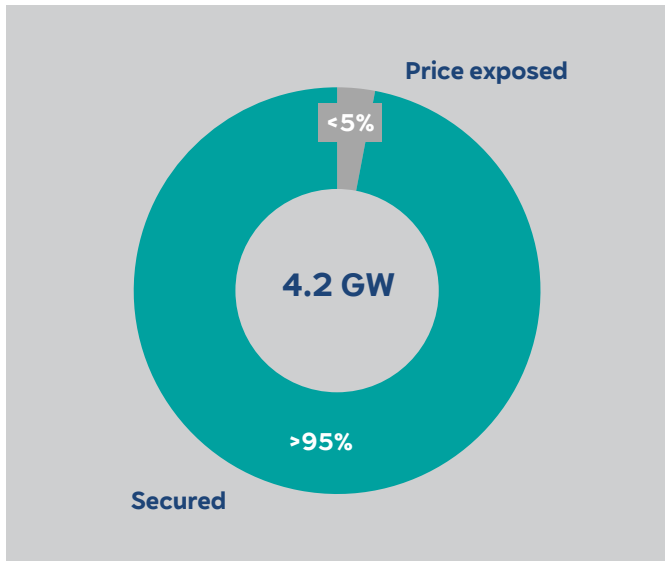
Gross margin flexible generation (Illustrative)



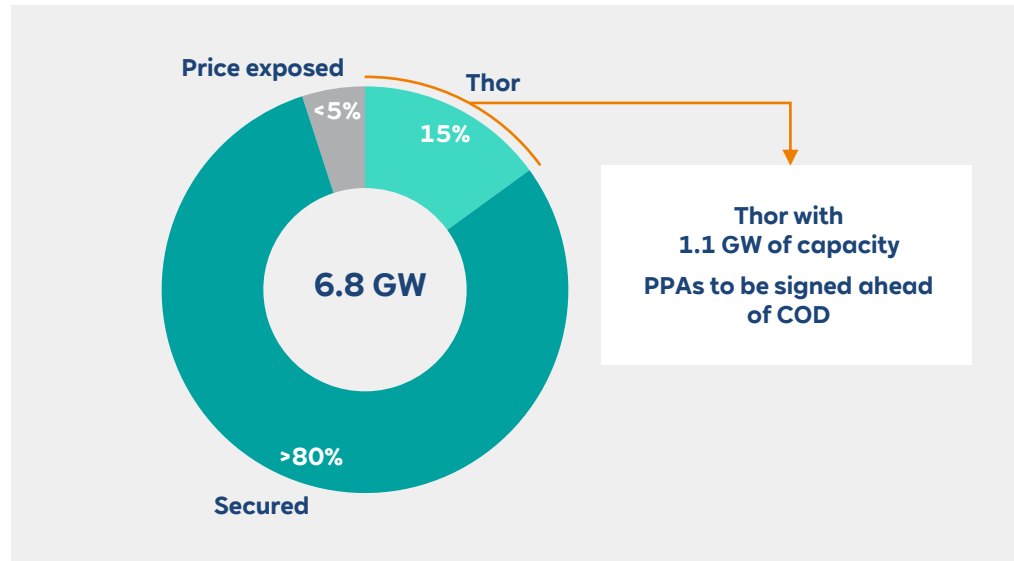
- Flexible generation with long-term increasing profitability and higher share of secured earnings
- From 2025 onwards,
 - normalised margin of **Running the asset fleet** due to decline of clean spreads and volatility
 - increase of **System services** due to higher contracted GB capacity payments, further strengthened by recent German tender award for capacity reserve
- For 2024-2026, average adj. EBITDA of EUR 1.4bn expected (compared to EUR >1.5bn at H1 2023)
- 2027 unchanged to CMD 2023 target; now GB capacity contracted after recent T-4 auction

Our recent capacity additions significantly increase secured revenues

Wind/Solar 2023 capacity additions in GW

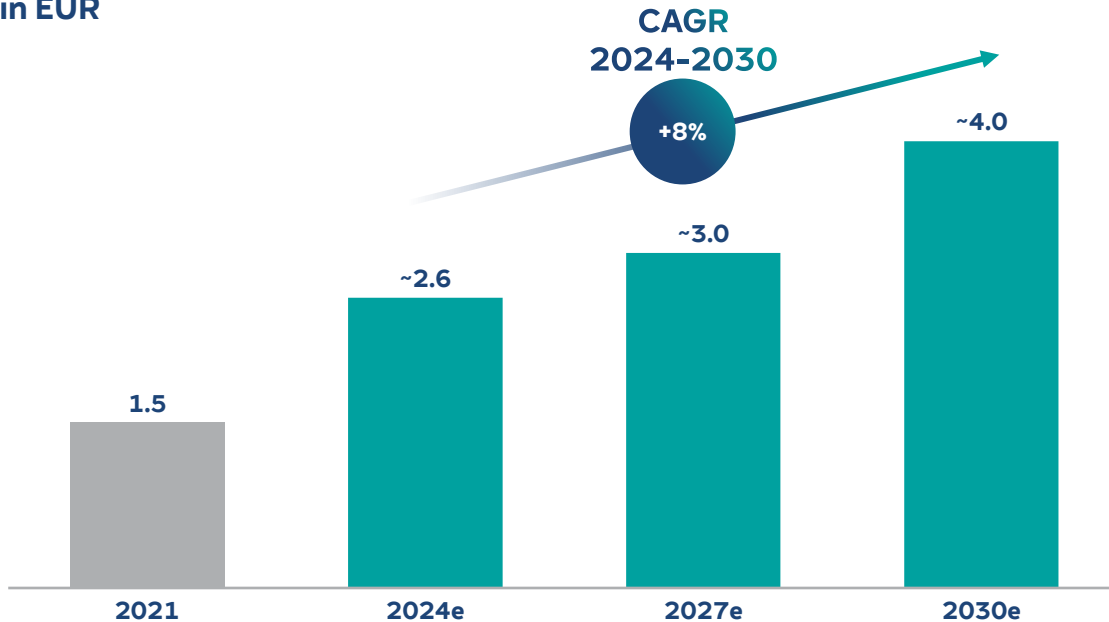


Wind/Solar projects currently under construction in GW



Our investments will drive strong bottom-line growth; capital allocation will be constantly reassessed

Adj. earnings per share
in EUR



- **Strict monitoring** of investment environment with clear commitment to profitability
- **Capital allocation will be constantly reassessed** in light of changing risk-reward environment
- **Clear focus on bottom line earnings/EPS**

Michael Müller

Chief Financial Officer, RWE AG



Financial highlights

Strong earnings development across all core segments in 2023, full year guidance for 2023 exceeded

High cash flow generation of operating portfolio

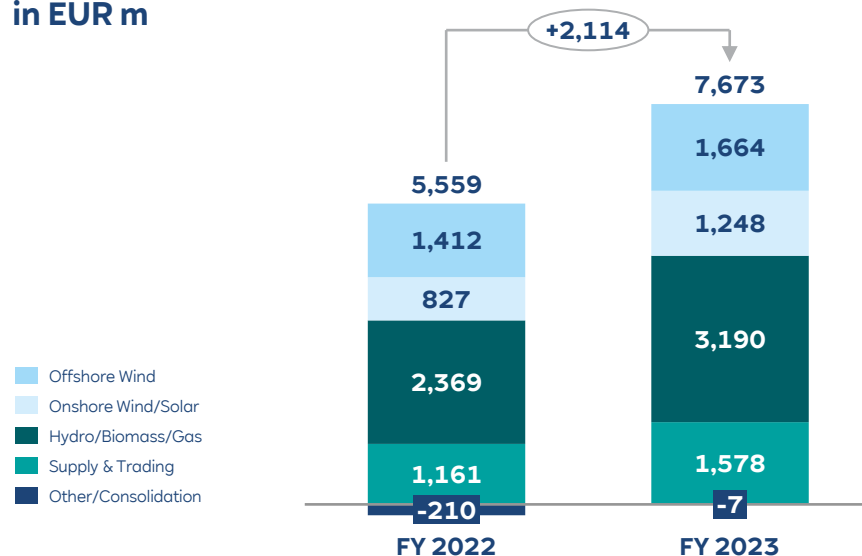
Credit ratings confirmed by Fitch and Moody's with BBB+/Baa2 and a stable outlook

State aid approval for lignite compensation has been granted by the European Commission; first instalments received

Earnings guidance 2024 confirmed at lower end of guidance range despite > 30% decline in European power prices

Strong earnings development across all core segments in 2023; exceeding full year group guidance

Core adj. EBITDA in EUR m



- **Offshore Wind** earnings up on the back of better wind conditions, capacity additions and higher realised power prices
- **Onshore Wind/Solar** increased due to capacity additions including CEB, partly offset by lower realised power prices
- **Hydro/Biomass/Gas** earnings driven by strong asset optimisation and hedges at attractive price levels
- **Supply & Trading** result up based on continued good performance and negative one-off in 2022

► **Adj. EBITDA for RWE Group, incl. Coal/Nuclear, amounts to €8,378 million**

Adjusted net income increased reflecting strong operational performance

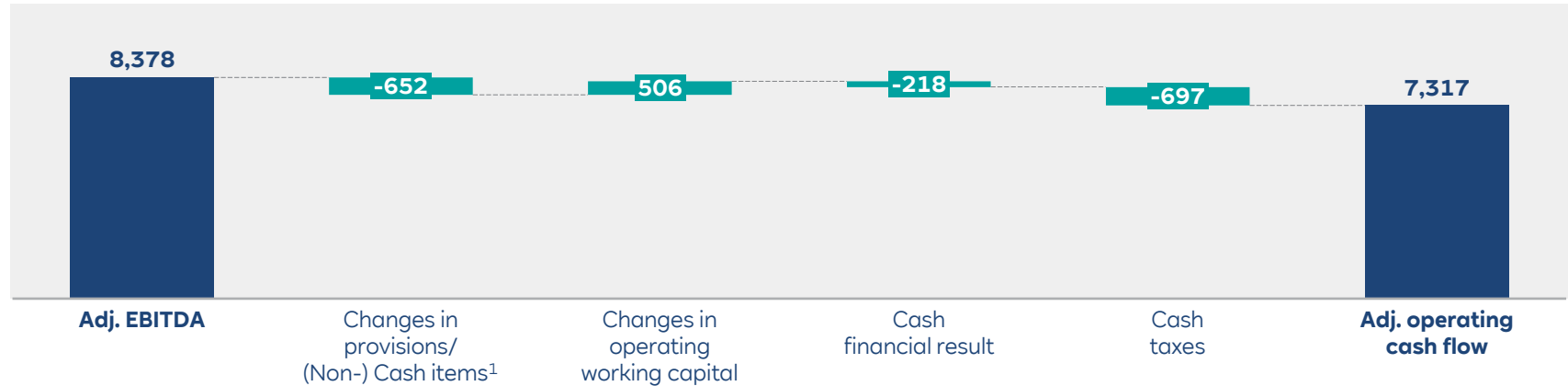
Adj. net income in EUR m

| FY 2022 | | FY 2023 |
|---------|----------------------------|---------|
| 6,310 | Adj. EBITDA FY 2023 | 8,378 |
| -1,742 | Adj. depreciation | -2,029 |
| 4,568 | Adj. EBIT | 6,349 |
| -417 | Adj. financial result | -495 |
| -623 | Adj. tax | -1,171 |
| -275 | Adj. minority interest | -147 |
| 3,253 | Adj. net income FY 2023 | 4,536 |

- **Adj. EBITDA** driven by strong operational performance in 2023 and negative one-off in 2022
- **Adj. depreciation** increased in line with growth investments
- **Adj. financial result** included financial expenses from consolidation of CEB debt
- **Adj. tax** applying general tax rate of 20%
- **Adj. minority interest** reflects lower earnings distributions to minority shareholders

Adjusted operating cash flow marked by strong operating result

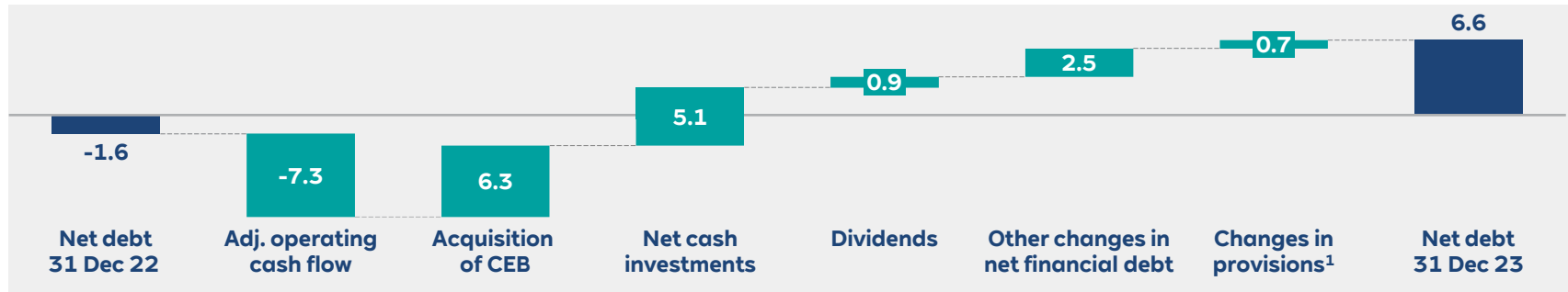
Reconciliation to adj. operating cash flow for FY 2023 in EUR m



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

Net debt increases due to CEB acquisition, green growth and timing effects from hedging and trading activities

Development of net debt in FY 2023 in EUR bn (+ net debt/- net assets)



| | | |
|---|--|---|
| <p>Acquisition of CEB also includes acquired external debt and wind/solar provisions</p> | <p>Other changes in net debt incl. timing effects from hedging and trading activities</p> | <p>Changes in provisions mainly driven by increase of pension provisions due to lower discount rates</p> |
|---|--|---|

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.

Earnings guidance 2024 confirmed at lower end of guidance range (1/2)

Group outlook FY 2024 in EUR m

| | FY 2023 ¹ | Outlook |
|----------------------------------|----------------------|-----------------------|
| Adj. EBITDA RWE Group | 7,749 | 5,200 – 5,800 |
| Adj. depreciation | -1,947 | approx. -2,000 |
| Adj. EBIT | 5,802 | 3,200 – 3,800 |
| Adj. financial result | -495 | -500 |
| Adj. tax | -1,061 | 20% |
| Adj. minority interest | -148 | approx. -250 |
| Adj. net income | 4,098 | 1,900 – 2,400 |
| Dividend target (€/Share) | 1.00 | 1.10 |

- **Outlook confirmed** despite significant decline in European power prices and price volatility
- **Adj. EBITDA, adj. EBIT** and **adj. net income** expected at the lower end of the guidance range
- Increase in **adj. depreciation** due to growth investments
- Applying general **tax rate** of 20%
- **€1.10 dividend per share** target for 2024 confirmed

¹ 2023 pro forma for new reporting structure.

Earnings guidance 2024 confirmed at lower end of guidance range (2/2)

Divisional FY 2024 outlook in EUR m

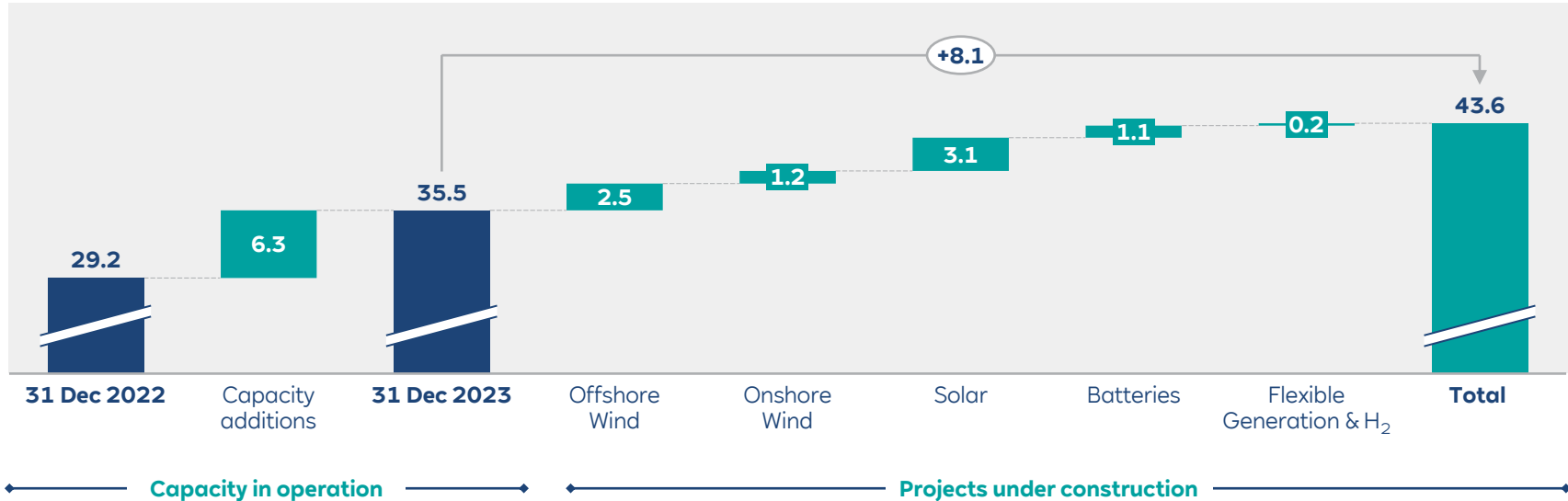
| Adj. EBITDA | FY 2023 ¹ | Outlook | |
|-----------------------|----------------------|---------------|---|
| Offshore Wind | 1,664 | 1,450 – 1,850 | ▶ Lower margins due to decline of European power prices. Earnings contribution expected in the lower half of the guidance range. |
| Onshore Wind/Solar | 1,248 | 1,500 – 1,900 | ▶ Lower margins due to decline of European power prices. Positive earnings effects from capacity additions as well as the full year contribution of the CEB acquisition expected. Earnings contribution expected in the lower half of the guidance range. |
| Flexible Generation | 3,217 | 1,800 – 2,200 | ▶ Lower margins from running the asset fleet, partly offset by slightly higher income from system services. Earnings contribution expected at the lower end of the guidance range. |
| Supply & Trading | 1,578 | 100 – 500 | ▶ Return to normalised earnings assumed after an outstanding performance in 2023. |
| Other/Consolidation | 42 | approx. -150 | |
| Adj. cash flow | | | |
| Phaseout technologies | 117 | 300 – 600 | ▶ Coal/Nuclear steered by adjusted cash flow and has no earnings impact on adj. EBITDA and adj. net income. Cash flow increased due to higher hedged margins. |

¹ 2023 pro forma for new reporting structure.

Appendix

Green generation portfolio increased by 6.3 GW in 2023

Development of our green generation portfolio GW pro rata



Note: Rounding differences may occur.

Earnings up due to better wind conditions, capacity additions and higher realised power prices

Key financials FY 2023 – Offshore Wind

| € million | FY 2023 | FY 2022 | Change |
|---|---------------|---------------|------------|
| Adj. EBITDA | 1,664 | 1,412 | 252 |
| t/o non-recurring items | - | - | - |
| Adj. depreciation | -654 | -576 | -78 |
| Adj. EBIT | 1,010 | 836 | 174 |
| t/o non-recurring items | - | - | - |
| Gross cash investments¹ | -1,457 | -1,894 | 437 |
| Gross cash divestments¹ | +665 | +25 | 640 |

Adj. EBITDA FY 2023 vs. FY 2022

- + Better wind conditions
- + Higher earnings due to capacity additions
- + Higher realised power prices
- Development expenses for mid/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.

Earnings up thanks to CEB acquisition and organic growth

Key financials FY 2023 – Onshore Wind/Solar

| € million | FY 2023 | FY 2022 | Change |
|---|---------------|---------------|---------------|
| Adj. EBITDA | 1,248 | 827 | 421 |
| t/o non-recurring items | 113 | - | 113 |
| Adj. depreciation | -713 | -457 | -256 |
| Adj. EBIT | 535 | 370 | 165 |
| t/o non-recurring items | 113 | - | 113 |
| Gross cash investments¹ | -6,901 | -1,859 | -5,042 |
| Gross cash divestments¹ | +55 | +21 | 34 |

Adj. EBITDA FY 2023 vs. FY 2022

- + Earnings contribution from CEB (1 March) and organic capacity additions
- + Non-recurring items including book gains
- Lower realised power prices
- Development expenses for mid/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.

Exceptional earnings development on the back of strong asset optimisation and higher hedged margins

Key financials FY 2023 – Hydro/Biomass/Gas

| € million | FY 2023 | FY 2022 | Change |
|---|-----------------|--------------|-----------------|
| Adj. EBITDA | 3,190 | 2,369 | 821 |
| t/o non-recurring items | 78 ² | - | 78 ² |
| Adj. depreciation | -512 | -364 | -148 |
| Adj. EBIT | 2,678 | 2,005 | 673 |
| t/o non-recurring items | 78 ² | - | 78 ² |
| Gross cash investments¹ | -1,041 | -497 | -544 |

Adj. EBITDA FY 2023 vs. FY 2022

- + Higher earnings from strong asset optimisation
- + Higher margins hedged at attractive price levels

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. | ² Land sales

Strong performance of the trading business and absence of negative one-off

Key financials FY 2023 – Supply & Trading

| € million | FY 2023 | FY 2022 | Change |
|---|--------------|--------------|-------------|
| Adj. EBITDA | 1,578 | 1,161 | 417 |
| t/o non-recurring items | - | -748 | 748 |
| Adj. depreciation | -58 | -50 | -8 |
| Adj. EBIT | 1,520 | 1,111 | 409 |
| t/o non-recurring items | - | - | - |
| Gross cash investments¹ | -247 | -51 | -196 |
| Gross cash divestments¹ | +459 | +13 | 446 |

Adj. EBITDA FY 2023 vs. FY 2022

- + Strong performance across almost all commodities and regions
- + Earnings increase driven by absence of negative one-off

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

Earnings down due to more overhauls, outages and absence of Emsland nuclear power plant

Key financials FY 2023 – Coal/Nuclear

| € million | FY 2023 | FY 2022 | Change |
|---|-------------|-------------|------------|
| Adj. EBITDA | 705 | 751 | -46 |
| t/o non-recurring items | - | - | - |
| Adj. depreciation | -91 | -295 | 204 |
| Adj. EBIT | 614 | 456 | 158 |
| t/o non-recurring items | - | - | - |
| Gross cash investments¹ | -327 | -237 | -90 |

Adj. EBITDA FY 2023 vs. FY 2022

- + Higher hedged margins partly offset by lower margins on unhedged positions
- More overhauls and outages
- Absence of production from Emsland nuclear power plant

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 in EUR m

| | 31 Dec 2023 | 31 Dec 2022 | +/- |
|---|----------------|----------------|----------------|
| Cash and cash equivalents | 6,917 | 6,988 | -71 |
| Marketable securities | 8,114 | 13,730 | -5,616 |
| Other financial assets | 2,529 | 8,543 | -6,014 |
| Financial assets | 17,560 | 29,261 | -11,701 |
| Bonds, other notes payable, bank debt, commercial paper | -11,749 | -15,621 | 3,872 |
| Hedging of bond currency risk | -2 | 8 | -10 |
| Other financial liabilities | -5,278 | -5,382 | 104 |
| Minus 50% of the hybrid capital stated as debt | 294 | 299 | -5 |
| Financial liabilities | -16,735 | -20,696 | 3,961 |
| Net financial assets | 825 | 8,565 | -7,740 |
| Provisions for pensions and similar obligations | -1,324 | -900 | -424 |
| Surplus of plan assets over benefit obligations | 509 | 680 | -171 |
| Provisions for nuclear waste management | -5,384 | -5,704 | 320 |
| Provisions for dismantling wind and solar farms | -1,213 | -1,011 | -202 |
| Net debt (-)/net assets (+) | -6,587 | 1,630 | -8,217 |

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.
 - Claim against the state for damages arising from the lignite phaseout (€1.9bn)
 - 15 % stake in E.ON

Commodity prices

Gas TTF Cal'25



Power Baseload Germany Cal'25



EUA Dec'25



Power Baseload UK Cal'25

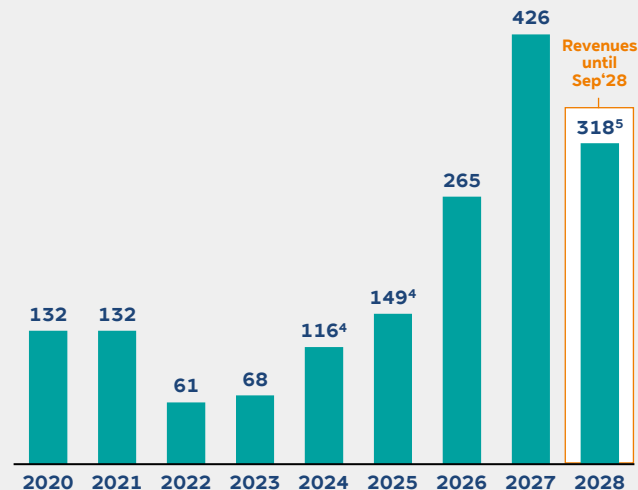


GB capacity market

Our plants in GB Capacity Market

| Derated capacity (MW) | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 ⁴ | 2025/26 | 2026/27 | 2027/28 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|----------------------|--------------|--------------|--------------|
| Aberthaw ¹ | 1,490 | 1,475 | 1,486 | - | - | - | - | - | - |
| Didcot B (excl. OCGT) | 1,380 | 1,395 | 1,395 | 1,395 | 1,395 | 1,395 | 1,409 | 1,416 | 1,351 |
| Little Barford | 691 | 699 | 699 | 699 | 699 | 699 | 706 | 709 | 678 |
| Great Yarmouth | 365 | 369 | 369 | 369 | 369 | 369 | 373 | 374 | 376 |
| Staythorpe | 1,652 | 1,670 | 1,670 | 1,670 | 1,670 | 1,670 | 1,687 | 1,695 | 1,605 |
| Pembroke | 2,114 | 2,138 | 2,138 | 2,138 | 2,138 | 2,138 | 2,159 | 2,169 | 2,014 |
| King's Lynn | 329 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 |
| Hydro sites | - | - | - | - | - | - | - | - | 44 |
| Other ² | 382 | 390 | 466 | 426 | 426 | 371 | 331 | 331 | 329 |
| Total (qualified) | 8,403 | 8,468 | 8,556 | 7,030 | 7,031 | 7,053 | 6,999 | 7,027 | 6,730 |
| Total (successful capacity) | 6,913 | 6,951 | 6,989 | 6,938 | 6,895 | 6,973 | 6,999 | 7,027 | 6,730 |

Revenue from capacity market³ in £ million, pre inflation



¹ Due to the closure of Aberthaw in 2020 its CM agreements for 2019/2020 and 2020/2021 were transferred to third parties and other units within RWE's fleet. ² Includes Cowes OCGT, Didcot OCGT, Cheshire GT, Cheshire Recips Conoco Phillips, Hythe, Grimsby A and Grimsby B. ³ Based on cleared capacity prices (nominal) and capacity contracts secured by RWE. ⁴ This includes capacity and revenue from the T-1 auction for Grimsby and Cheshire. ⁵ 2028 only includes full year revenue for assets with 15-year agreements, being - King's Lynn, Grimsby A, Cheshire and Grimsby B. All other units show revenue up to September 2028 due to end of the capacity market year. | Note: Rounding differences may occur.

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ADR programme available

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+1 201 680-6255 (from outside the US)
1-888-269-2377 (within the US)

Financial Calendar

- **03 May 2024:** Annual General Meeting
- **15 May 2024:** Interim statement on the first quarter of 2024
- **14 Aug 2024:** Interim report on the first half of 2024
- **13 Nov 2024:** Interim statement on the first three quarters of 2024
- **13 Mar 2025:** Annual Report for fiscal 2024

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