

Siemens Energy on track to meet full-year guidance including an improved cash outlook

Christian Bruch, President and CEO Siemens Energy

Maria Ferraro, CFO Siemens Energy

Analyst presentation Q3 FY24

Berlin, August 7, 2024



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CEO section

Christian Bruch, CEO



Key Messages

Highlights

- Record orders at Gas Services and solid orders overall; increasing order backlog margin
- Strong revenue growth driven by Grid Technologies, Siemens Gamesa and Transformation of Industries
- Profitability in line with expectations and strong free cash flow
- Statistical model update for 4.X and 5.X with overall no material impact; re-introduction of 4.X on track and solid progress on 5.X

Market Environment

- Strong electricity growth drives demand for our products
- Increasing electricity demand from data centers

Siemens Energy FY24 Guidance

- Revenue: 10% to 12% comparable¹
- Profit margin before SI: neg. 1% to 1%
- Net Income: up to €1bn (incl. impacts from disposals)
- Free cash flow pre tax: pos. €1bn to €1.5bn; prev. up to pos. €1bn
- Proceeds from disposals: ~ pos. €3bn

¹ Comparable: excluding currency translation and portfolio effects
2024-08-07

Q3 FY24 Financial Performance

- **Order backlog at new high of €120bn**
- **Orders: -29.6% comp.¹ at €10.4bn**
- **Revenue: +18.5% comp.¹ at €8.8bn; book-to-bill of 1.18**
- **Profit before SI: pos. €49m (Q3 FY23: neg. €2bn)**
- **Profit margin before SI: pos. 0.6% (Q3 FY23: neg. 27.3%)**
- **Free cash flow pre tax: €727m (Q3 FY23: €27m)**
- **Adj. Net cash/(Net debt): pos. €1.7bn (Q3 FY23: neg. €919m)**

Growing in a transforming market



Gas Services

- Inauguration of burner factory in Budapest



Grid Technologies

- Groundbreaking for power transformer factory expansions in Austria and Germany
- SF6-free vacuum interrupter factory inaugurated in Berlin



Siemens Gamesa

- Ramp-up of new production capacities for Offshore continuing and improving

Q3 FY24 Awards and Milestones

Power generation with low or zero emissions

Gas Services



\$1.5bn order in Kingdom of Saudi Arabia

- Taiba 2 and Qassim 2, two of the world's largest, modern, and efficient combined-cycle power plants
- HL-class gas turbines, in combination with steam turbines and generators with almost 4GW
- 25 years long-term maintenance contract for the two power plants

Siemens Gamesa



First installations at Germany's largest offshore wind park

- First 11MW wind turbine delivered to Germany's largest offshore wind farm
- 83 wind turbines with a total capacity of 913MW
- First offshore wind park worldwide with no governmental support, realized by PPA with industry and technology customers

Transport and storage of energy

Grid Technologies



€1.4bn agreement to renew Denmark's energy infrastructure

- Transformers and switchgears for approx. 50 new or reinforced 150 kV high-voltage substations over the next 8 years
- First 4 years estimated to be worth up to €800m
- Automated new substations with state-of-the-art grid technologies

Reducing the CO₂ footprint

Transformation of Industry



280MW PEM electrolysis system contract by German utility EWE

- Plant location in Emden, Germany
- Expected to go into operation in 2027
- Up to 26,000t of green hydrogen annually for various industrial applications in the region

CFO section

Maria Ferraro, CFO

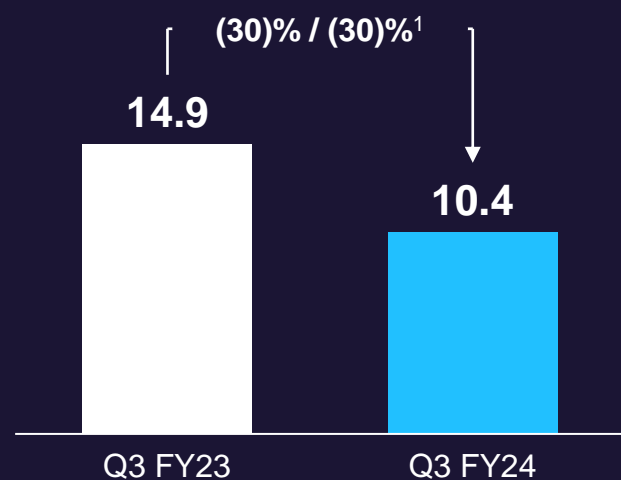


Siemens Energy Group: On track to deliver on FY guidance

Q3 FY24

Orders

in €bn

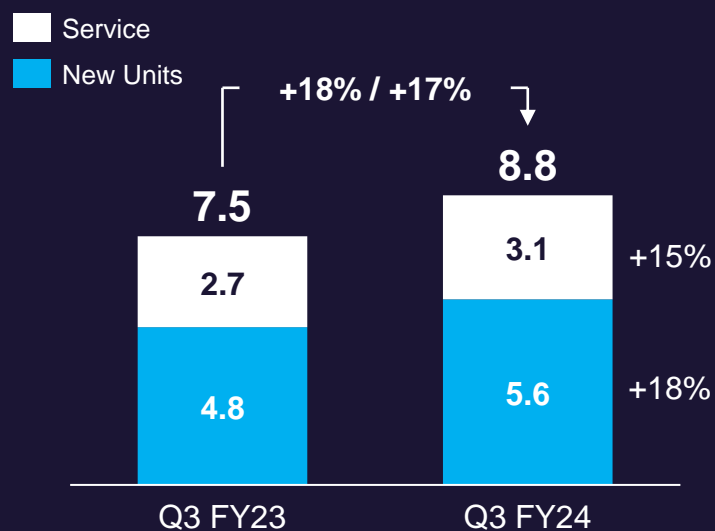


Order backlog² €120bn

Q2 FY24: €119bn

Revenue

in €bn

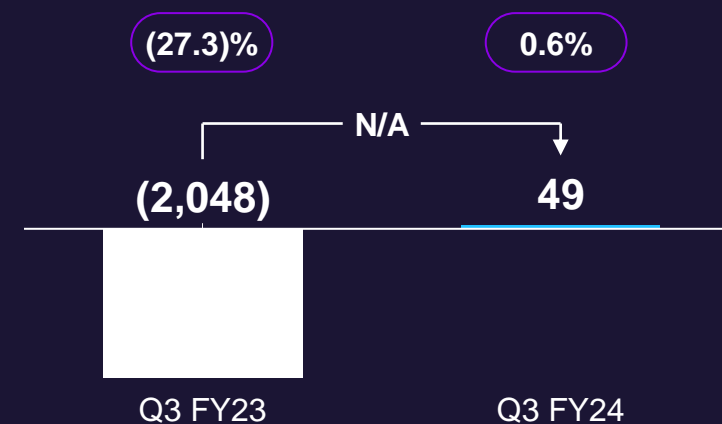


Book-to-bill 1.18

Q3 FY23: 1.98

Profit before SI

in €m



Free cash flow³ €727m

Q3 FY23: €27m

¹ xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal | ² As of June 30, 2024 |

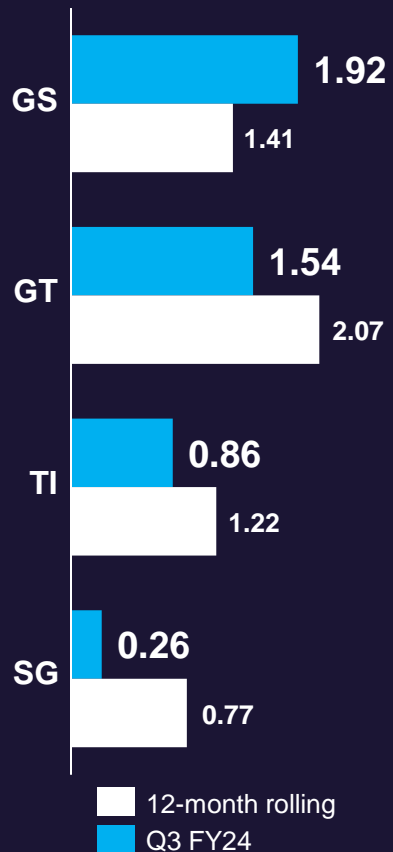
³ Free cash flow pre tax

2024-08-07

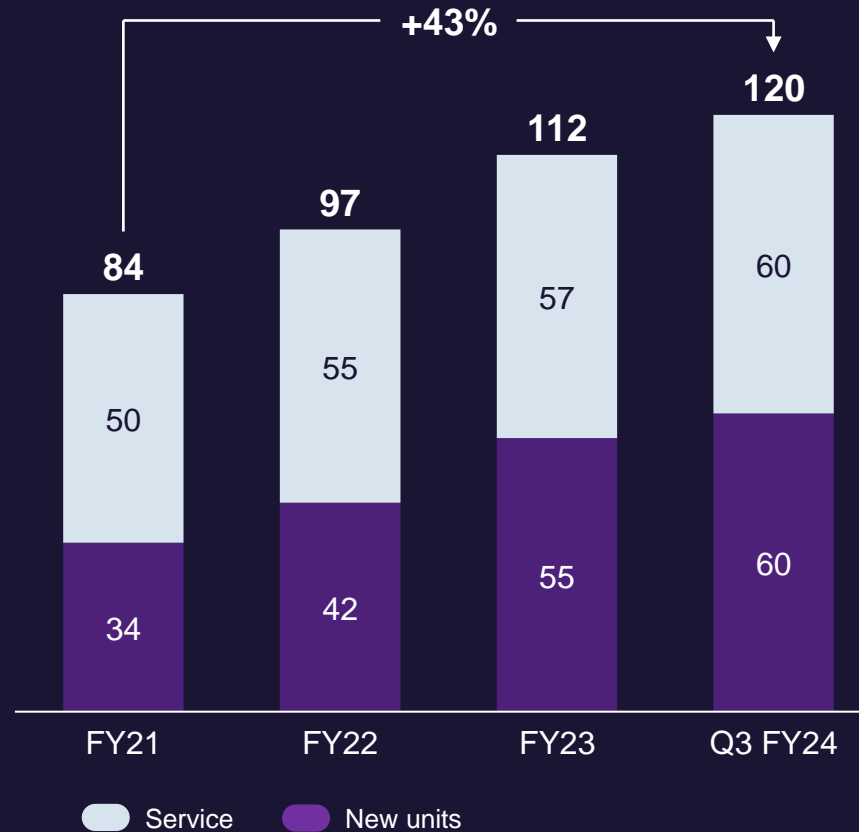
X.X% Profit margin before Special items

Increasing order backlog as a source of strength and resilience

Book-to-bill ratio Q3 FY24



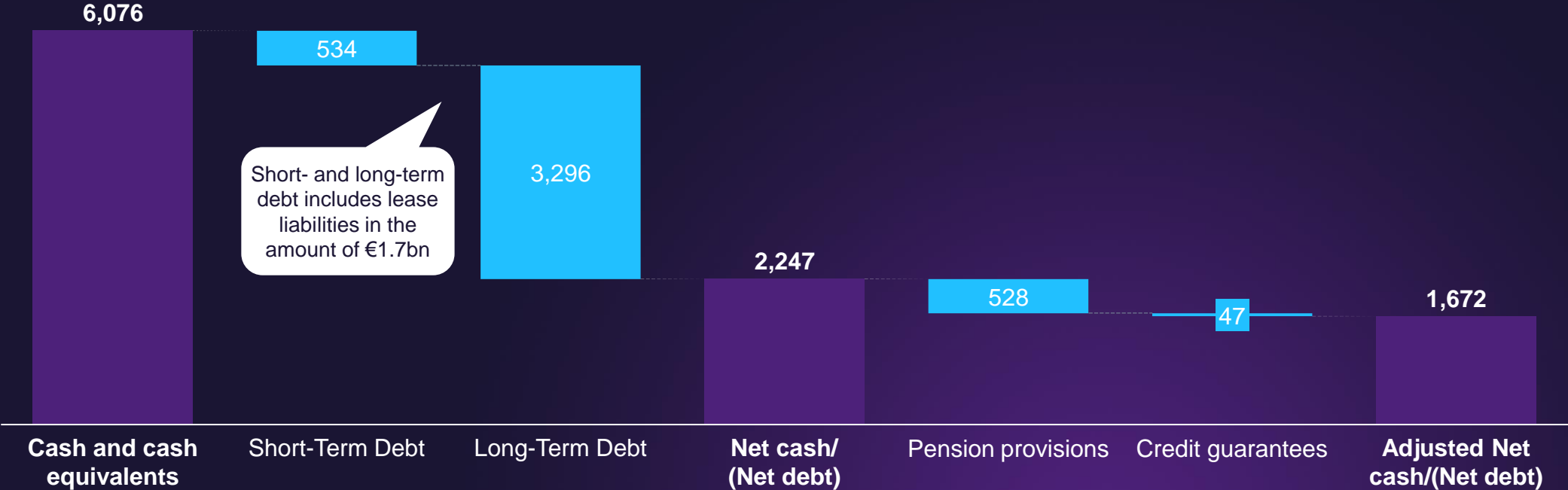
SE order backlog development (€bn)



- Large majority of FY25 revenue already secured in the backlog
- Increase across all businesses
- Stronger growth in new units supporting growth of our serviced fleet
- Resilience from long-term service business particular in Gas Services
- Margin profile in the order book supports our mid-term targets
- Backlog covering almost 4x annual revenue

Net cash position expanded

Net cash/(Net debt) as of June 30, 2024 (€m)



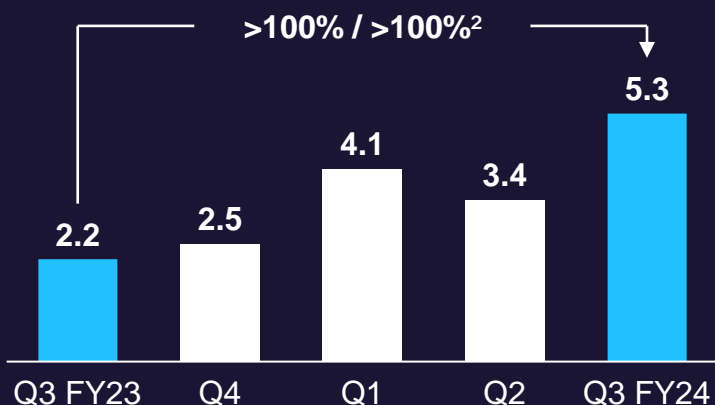
Siemens Energy: €10.1bn liquidity available (€6.1bn cash, €4.0bn undrawn facilities)

Gas Services: Strong demand; profitability seasonally weaker (incl. legacy item)

Q3 FY24¹

Orders

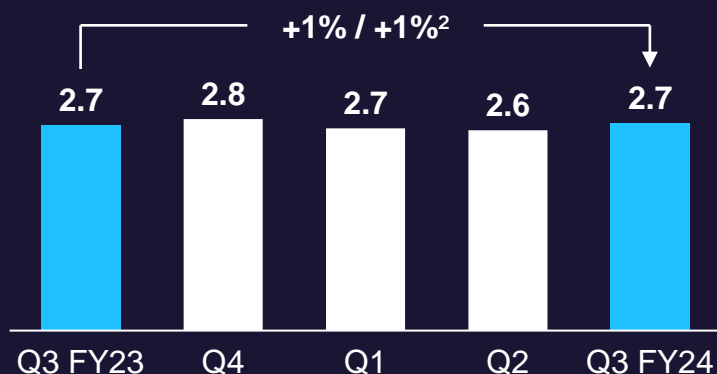
in €bn



- Record orders mainly due to large service contract wins in the Middle East
- Volume from large orders rose to 4x prior-year's level

Revenue

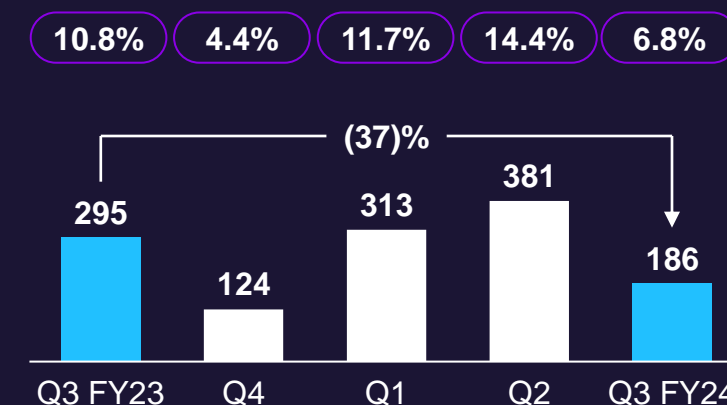
in €bn



- Clear growth in the service business offset a decrease in the new unit business

Profit before SI

in €m



- Profit before SI below prior-year's level mainly due to a negative one-time effect from a legacy project
- Underlying margin seasonally lower than during H1

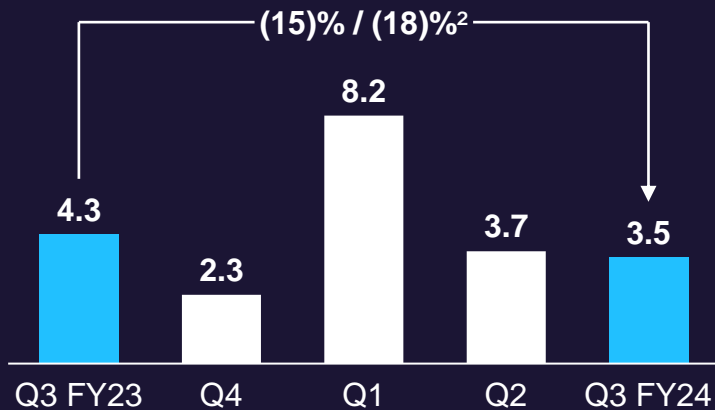
¹ Prior-year's figures are presented on a comparable basis | 2 xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal

Grid Technologies: Strong revenue growth drives profitability

Q3 FY24¹

Orders

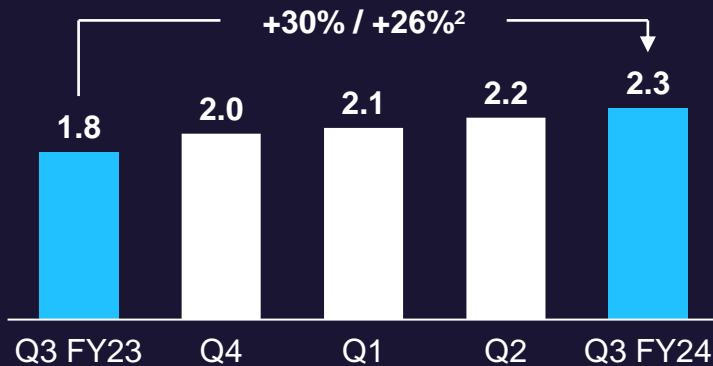
in €bn



- Solid orders of €3.5bn for a book-to-bill of 1.5
- Strong growth in product orders driven by global demand, especially from Germany and the US

Revenue

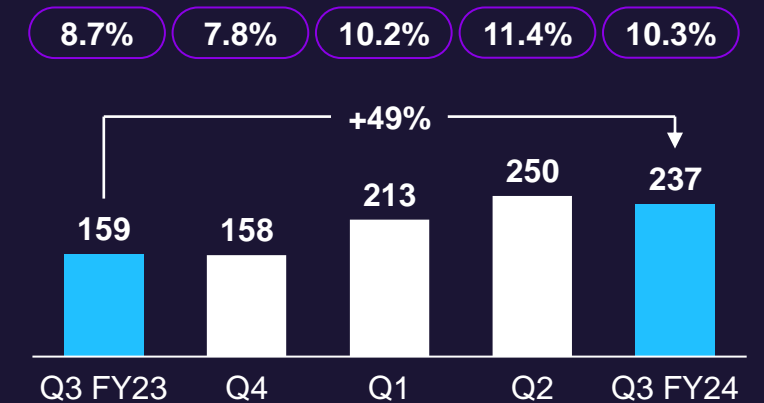
in €bn



- Substantial increase in all businesses with strong growth in both the product and solution businesses

Profit before SI

in €m



- Strong increase in Profit before SI driven by higher volume and comparatively higher margins in the processed order backlog

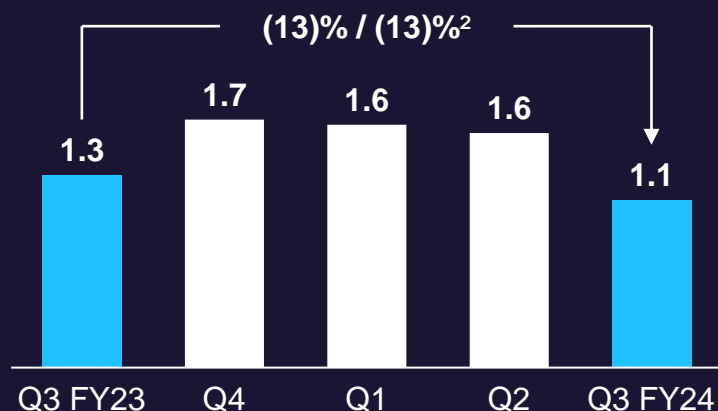
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Transformation of Industry: Strong growth and profitability

Q3 FY24¹

Orders

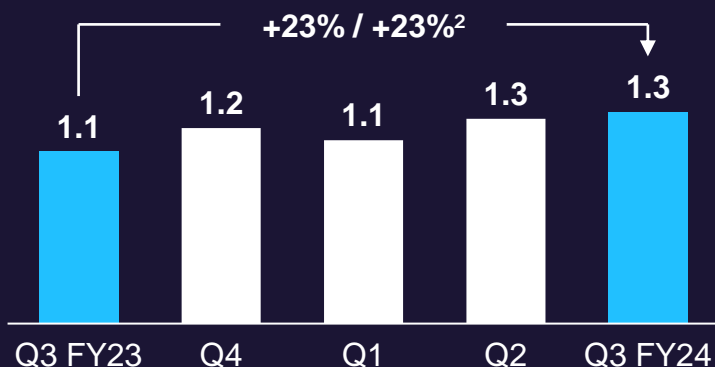
in €bn



- Decrease y-o-y driven by timing effects and high base of comparison in EAD

Revenue

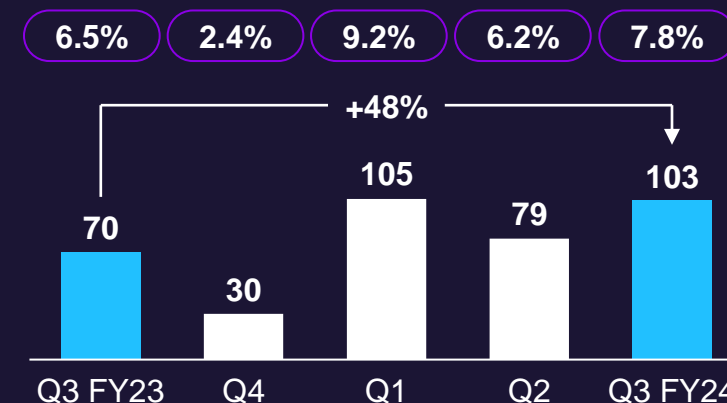
in €bn



- Significant increase y-o-y with all businesses growing at a double-digit rate
- Continuing service strength, particularly in the Compression and Industrial Steam Turbines Generators businesses

Profit before SI

in €m



- Profit before SI increased y-o-y driven by increased volume, better pricing, and increased service revenue

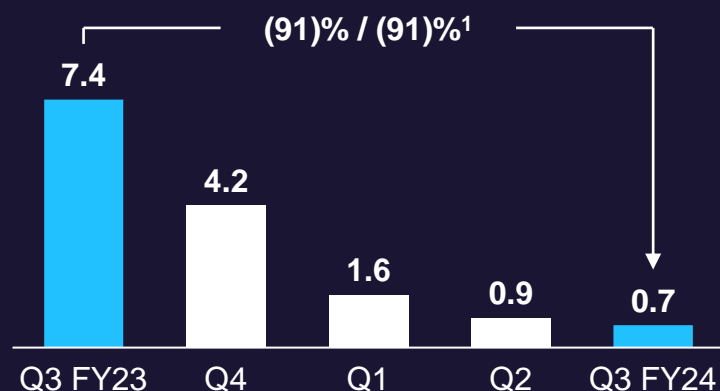
¹ Prior-year's figures are presented on a comparable basis | 2 xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal

Siemens Gamesa: Developing in line with expectations

Q3 FY24

Orders

in €bn



- Orders sharply down as all business reported decreases
- Onshore orders continue to be impacted by the temporary interruption of sales activities for the 4.X and 5.X turbines
- No large orders in offshore and service businesses

Revenue

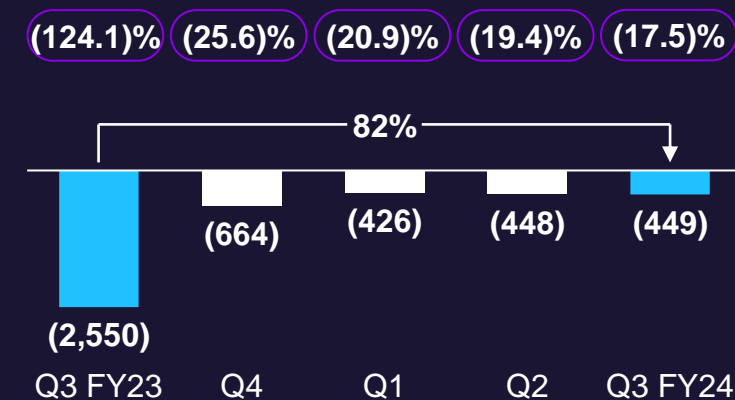
in €bn



- Strong growth driven by higher offshore revenue as well as low base of comparison in onshore

Profit before SI

in €m



- Profit margin continued to be burdened by higher planned costs due to the known quality issues as well as increased costs and ramp-up challenges in the offshore area
- Q3 was also impacted by the annual update of the statistical models utilized for the evaluation of the entire fleet as well as project reviews

¹ xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal
2024-08-07

X.X% Profit margin before Special items

Financial outlook

Fiscal Year 2024

	FY24 Outlook	
	Revenue Growth ¹	Profit Margin before SI ²
Gas Services	(2) – 0%	9 – 11%
Grid Technologies	32 – 34%	8 – 10%
Transformation of Industry	14 – 16%	5 – 7%
Siemens Gamesa	10 – 12%	up to neg. €2bn (<i>prev. around neg. €2bn</i>)
Siemens Energy	10 – 12%	(1) – 1%
Net income		up to €1bn incl. impacts from disposals
Free cash flow pre tax ³		pos. €1bn to €1.5bn (<i>prev. up to pos. €1bn</i>)
Proceeds from disposals		around pos. €3bn

This outlook excludes charges related to legal and regulatory matters

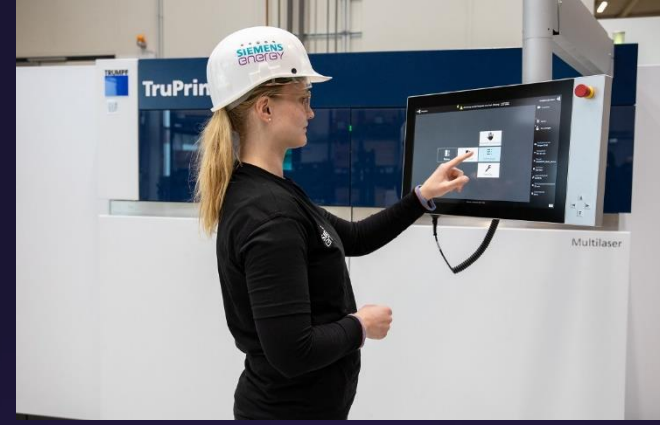
1 Comparable revenue growth: Excluding currency translation and portfolio effects | 2 Profit margin before Special items in % of revenue with profit as earnings before financial result, income taxes, amortization expenses related to intangible assets acquired in business combinations, and goodwill impairments | 3 Free cash flow pre tax as operating cash flow and additions to intangible assets and PPE less Income taxes paid

Key Priorities

1 Deliver on profitable growth

2 Fix the wind business

3 Maintain solid financial foundations



We energize society



Questions & Answers

Christian Bruch and Maria Ferraro



Financial Calendar

2024

Aug 7

September

Nov 13

Q3 FY24

Conferences and
roadshows

Q4 FY24

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Appendix

FY24 financial considerations for SE

Reconciliation line on Profit before Special items	~ neg. €250m (<i>unchanged</i>)
Financial result	~ neg. €500m (<i>prev. €400m</i>), incorporating negative impact related to the change in fair values of transaction related derivatives ¹ of €200m (<i>prev. €100m</i>), which may be subject to change
R&D	~ €1.2bn (<i>unchanged</i>)
Capex	~ €1.8bn (<i>unchanged</i>)
Gains from disposals	~ pos. €3bn (<i>unchanged</i>)

¹ For more detailed information please refer to the half-year annual report on page 24

Additional financial disclosure for Siemens Gamesa

	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24
WTG					
Profit margin before SI	(129.3)%	(33.8)%	(26.4)%	(21.6)%	(5.0)%
Onshore					
Revenue (€m)	651	914	691	705	742
Volume (MWe)	1,300	1,317	742	728	873
Order intake (€m)	573	875	476	92	29
Order intake (MW) ¹	717	1,244	759	56	54
Order backlog (€m)	5,318	5,325	5,084	4,244	3,528
ASP (€m/MW) ¹	0.80	0.70	0.63	n/a	n/a
Offshore					
Revenue (€m)	964	1,053	780	1,078	1,230
Volume (MWe)	871	1,086	461	761	868
Order intake (€m)	5,279	2,232	504	244	144
Order intake (MW)	4,884	1,518	294	0	0
Order backlog (€m)	15,771	17,046	16,556	15,829	14,817
Service					
Revenue (€m)	438	624	572	530	597
Order intake (€m)	1,506	1,118	585	544	491
Order backlog (€m)	18,808	19,303	19,196	19,137	19,067
Installed fleet (MW)	133,684	136,869	138,523	139,558	140,878
Fleet under maintenance (MW)	83,297	81,873	83,672	85,021	87,237
Profit margin before SI	(105.1)%	0.4%	(4.1)%	(8.1)%	(58.6)%

¹ Onshore order intake (MW) and average selling price of onshore order intake include only wind orders
2024-08-07

Net Income Transition

In €m	Siemens Energy			
	Q3 FY23	Q3 FY24	Q1-Q3 FY23	Q1-Q3 FY24
Gas Service	289	184	938	881
Grid Technologies	154	246	368	929
Transformation of Industry	65	108	197	283
Siemens Gamesa	(2,561)	(463)	(3,770)	(1,262)
<i>Reconciliation to Siemens Energy</i>	<i>(37)</i>	<i>44</i>	<i>(143)</i>	<i>1,667</i>
Profit	(2,089)	119	(2,409)	2,498
<i>Profit margin</i>	<i>(27.8)%</i>	<i>1.4%</i>	<i>(10.7)%</i>	<i>10.1%</i>
Amortization of intangible assets acquired in business combinations and goodwill impairments	(66)	(64)	(233)	(195)
Financial result	(32)	(162)	(99)	(412)
Income before income taxes	(2,187)	(108)	(2,740)	1,891
Income tax (expenses/gains)	(744)	6	(978)	(303)
Net income	(2,931)	(102)	(3,718)	1,588
Attributable to				
Non-controlling interests	24	40	(86)	112
Shareholders of Siemens Energy AG	(2,955)	(142)	(3,632)	1,477

Cash Flow Statement

In €m	Siemens Energy			
	Q3 FY23	Q3 FY24	Q1-Q3 FY23	Q1-Q3 FY24
Net income	(2,931)	(102)	(3,718)	1,588
Amortization, depreciation and impairments	406	360	1,125	1,078
Change in operating net working capital				
Contract assets	209	(130)	(58)	(268)
Inventories	(486)	(478)	(1,582)	(1,567)
Trade receivables	(568)	(478)	(1,219)	(791)
Trade payables	278	358	166	(96)
Contract liabilities	539	672	2,535	2,774
Others	2,764	735	2,922	(1,299)
Cash flow from operating activities	212	937	170	1,419
Additions to intangible assets and property, plant and equipment	(267)	(314)	(761)	(884)
Free cash flow	(55)	623	(590)	555
Income taxes paid	(82)	(103)	(266)	(371)
Free cash flow pre tax	27	727	(324)	926
therein Gas Services	312	435	803	1,183
therein Grid Technologies	(114)	432	813	1,678
therein Transformation of Industry	95	58	30	299
therein Siemens Gamesa	(393)	(418)	(1,890)	(2,172)

Note: Prior-year's figures are presented on a comparable basis
2024-08-07