

Well placed to lead the energy transformation

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Siemens Energy is well positioned to lead the energy transition

Siemens Energy AG

Revenue FY21: € 28.5 bn

67% owned

Gas and Power
("GP")

~65%
of SE Revenue

**Siemens Gamesa
Renewable Energy**
("SGRE")

~35%
of SE Revenue

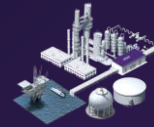
Generation

#1 Distributed
#2 Central



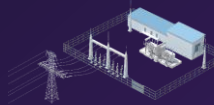
~25%

Industrial Applications
#2



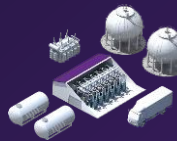
~20%

Transmission
#1



~20%

**New
Energy**

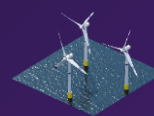


Onshore
#3



~20%

Offshore
#1



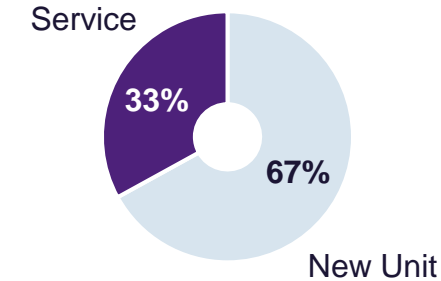
~10%

Service
#1



~5%

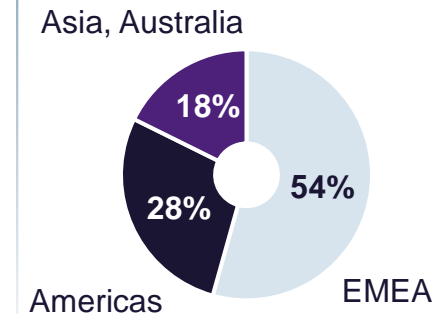
Revenue by type



Gas and Power
Service share: 41%

SGRE
Service share: 19%

Revenue by geography



Two core markets:
EMEA, Americas

Further upside
in Asia

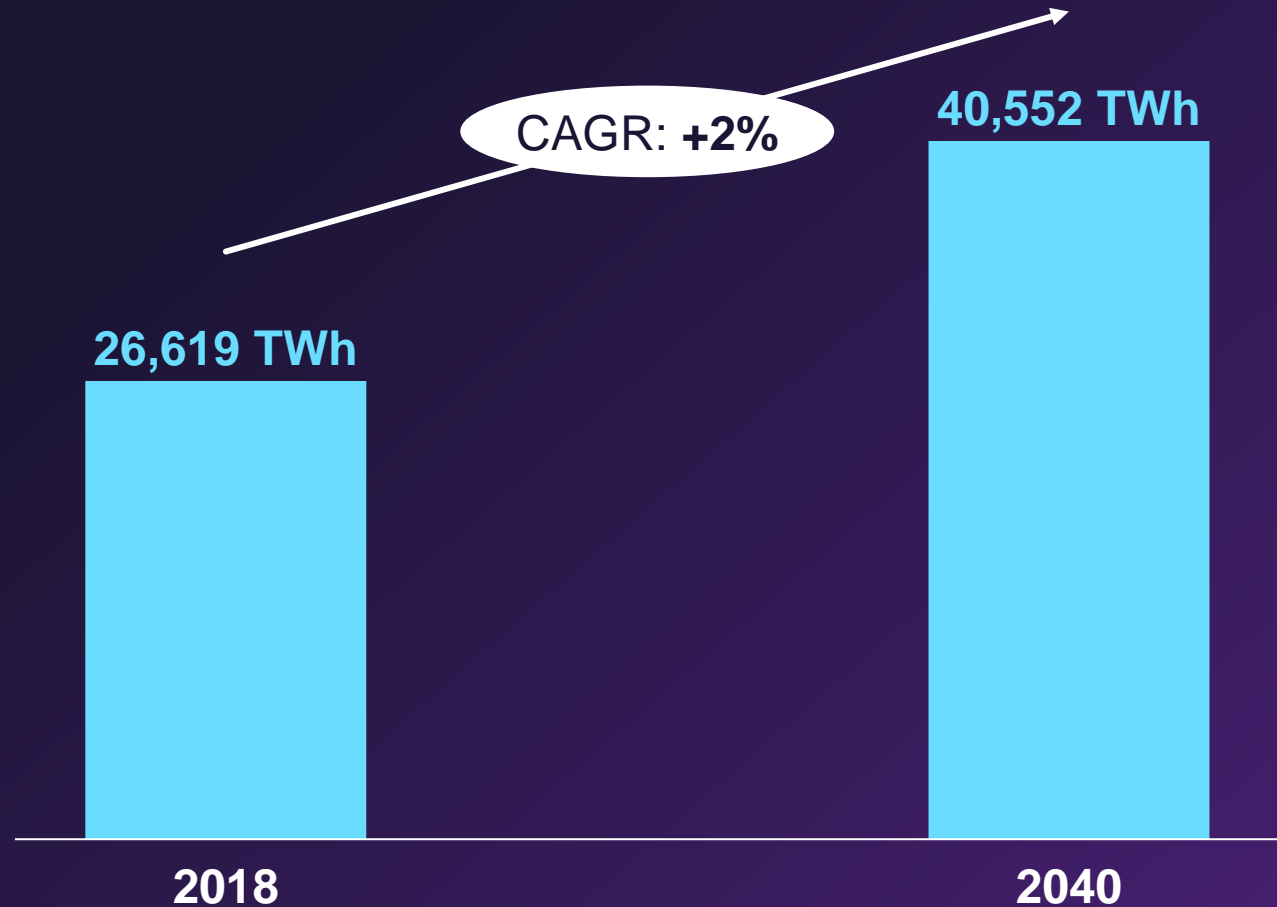
The world needs more electricity

Growing electricity market (in TWh)¹

- Increasing electrification of industries²
- Around 750 million people globally without access to electricity
- New electrical consumers (data centers, e-mobility)

¹ Source: IEA (2021) World Energy Outlook. All rights reserved

² Relates to electricity generation

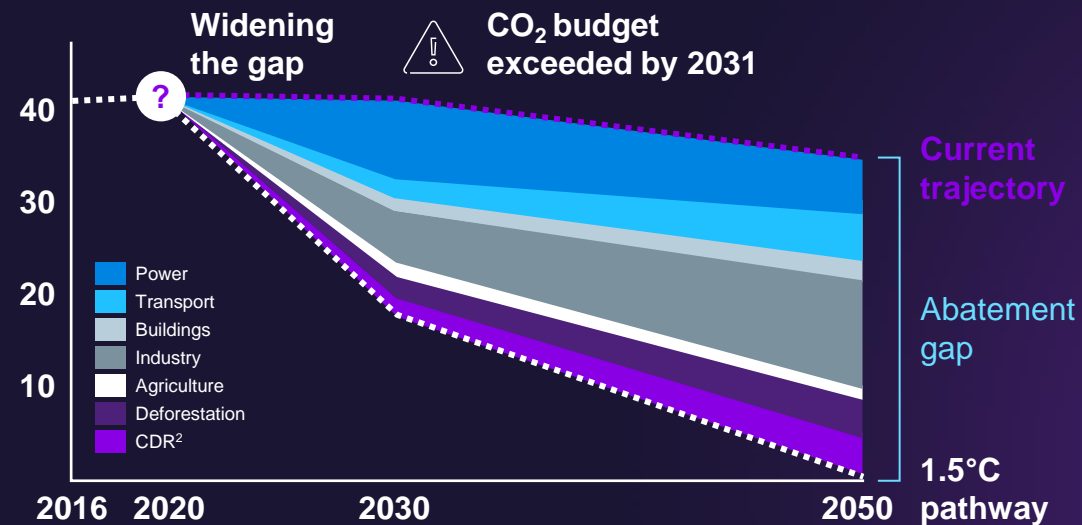


To reach the 1.5°C target of the Paris agreement will require a rapid decarbonization in all sectors for a CO₂ reduction of ~55% by 2030

The gap between the reference case¹ and 1.5°C pathway creates significant uncertainty

CO₂ abatement gap per sector

Gt CO₂ emissions



All sectors would need to decarbonize rapidly to meet a 1.5°C pathway

Percent CO₂ abatement required in 1.5°C pathway vs. reference case

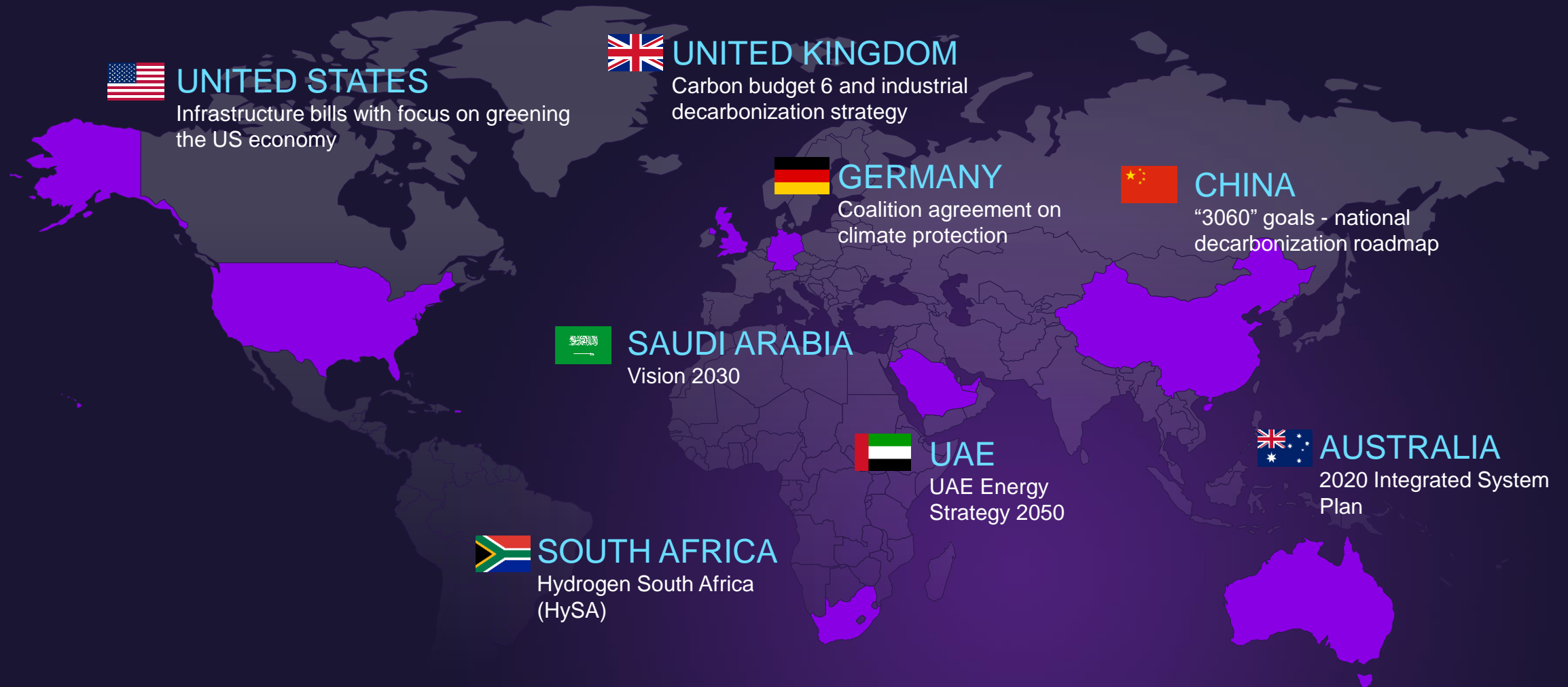
		2030	2050
Power		73%	99%
	Transport		
	Aviation	35%	81%
	Marine	25%	61%
	Road	32%	71%
Buildings		42%	86%
Industry	Cement	26%	78%
	Iron & Steel	29%	97%
	Oil & Gas	56%	95%
	Ammonia	39%	87%
	Ethylene	63%	96%

Less than 30%
30 – 50%
50 – 70%
70 – 80%
80 – 90%
90 – 100%

¹ McKinsey's Global Energy Perspective (GEP) Reference Case provides our consensus view on how energy demand will evolve from today through 2050

² Carbon dioxide removal, including measures such as reforestation and direct air capture

More and more government initiatives accelerate the energy transition



We benefit because of our portfolio and the focus on the three pillars around the globe – e.g. in Europe

UNITED KINGDOM

- 68% CO₂ emission reduction until 2030
- Industrial decarbonization strategy to reduce emissions by 2/3 in 15 years
- 50% emission reduction by 2030 in the oil&gas industry
- 40GW offshore wind by 2030 (prior 30GW)

Opportunities for wind power and decarbonization of industries

GERMANY

- Coal phase-out intended until 2030 (prior 2038)
- 80% of electricity from renewable energies until 2030
- 30GW offshore wind capacity by 2030 (prior 20GW)
- Commitment to highly efficient and H₂-ready gas power plants as transition technology
- Acceleration of planning and permitting processes for grid development
- CO₂ pricing as important instrument

Significant opportunities for gas turbines, wind power and transmission

We benefit because of our portfolio and the focus on the three pillars around the globe – e.g. in the US



UNITED STATES

- 50% green house gas pollution reduction in 2030 (compared to 2005)
- 30GW offshore wind by 2030
- ~\$60bn investments into power infrastructure
- ~\$10bn funding to accelerated development of green hydrogen technology

Opportunities for wind power, transmission, hydrogen solutions and decarbonization of industries

Three pillars underpinning our strategy



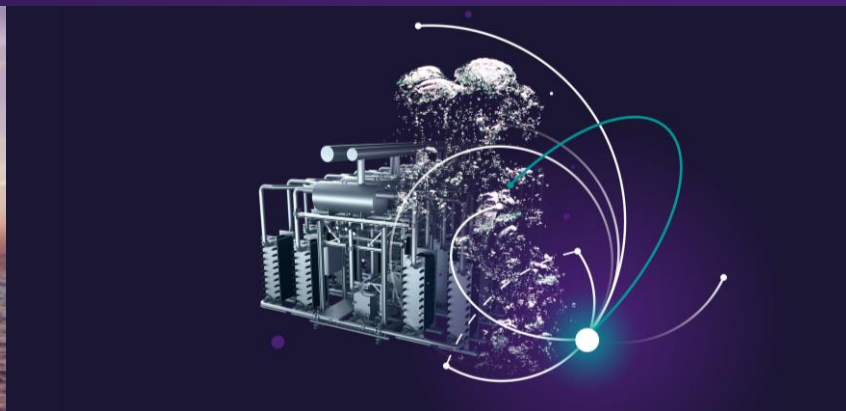
Low- or zero-emission
power generation



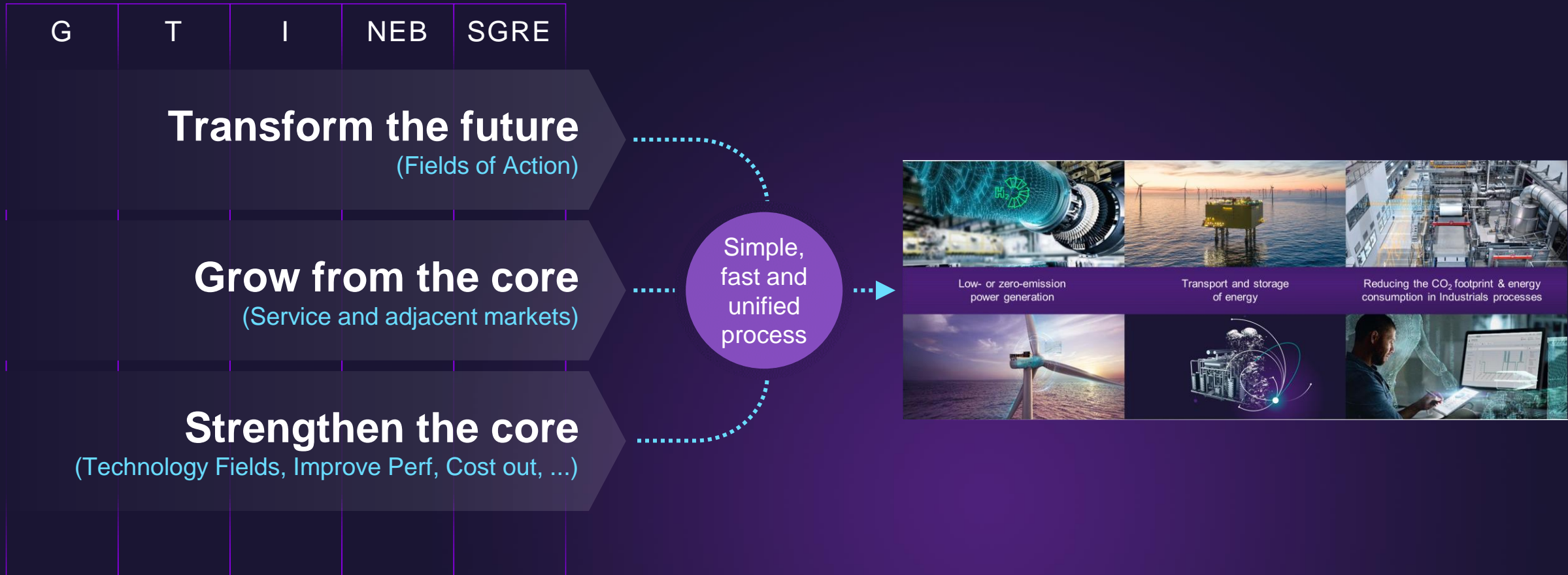
Transport and storage
of energy



Reducing the CO₂ footprint & energy
consumption in Industrials processes



Achieving our company transformation will require us to innovate by working across organizations



To respond to the changes taking place in the energy markets, and to address the emerging opportunities we have defined **5 Fields of Action**:



Energy Storage

- Thermal Storage
- Li-Ion Next Gen
- Batteries
- Redox Flow Next Gen



Decarbonized Heat & Industrial Processes

- Heat pumps
- Electric Heaters
- Fuel cells
- Waste heat recovery



Power-to-X

- Green Hydrogen
- Offshore Hydrogen
- E-chemicals
- E-fuels



Condition-based Service Interventions

- Digital Twins for:
 - Energy Consumption
 - Operational Autonomous
 - Microgrids



Resilient Grids and Reliability

- ARESS
- SensX
- SVC Grid Forming
- HVDC Multivendor “InOpera”

Our six levers to deliver shareholder value



Leader in
energy industry



Service
Business as a
core value driver



Reach operational
performance
(after Spin-off)



More EBITA
and more Cash



Developing future
portfolio with focus
on sustainability
and service



Leading portfolio
in the industry

Management Priorities for FY22

1

Deliver on the fundamentals at GP and SGRE

2

Focus on supply chain, logistics and raw materials

3

Refine operating model and shape organization towards the three pillars

4

Focus the company on sustainable growth elements



We are #TeamPurple #WeEnergizeSociety



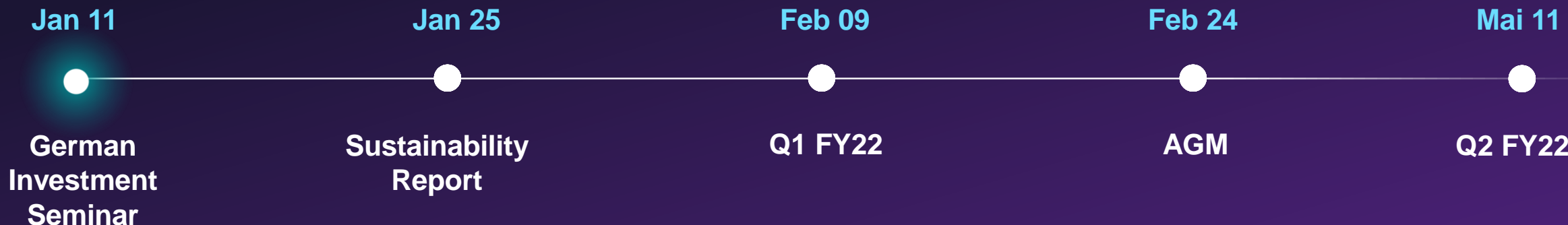
**Meet us at our CMD
May 23-24, 2022
in Berlin**



Questions & Answers



2022



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Appendix

Solid progress in FY21 to become the most valued energy technology company in the world



Leader in energy industry

- Leading market positions maintained in all Divisions despite selectivity on scope of projects



Service Business as a core value driver

- Return to comparable growth in service
- Resilient service margins



Reach operational performance (after Spin-off)

- GP
- Progress in restructuring, footprint consolidation & NCC reduction
 - Customer focus and collaboration
- SGRE
- Innovation, productivity and asset management & operational excellence



More EBITA and more cash

- €678m increase in Adjusted EBITA before SI driven by cost out and operational improvements
- €1.36bn free cash flow pre tax driven by better-than-expected net working capital management



Developing future portfolio with focus on sustainability and service

- R&D in service-related topics increased
- Investment in hydrogen business
- Blue portfolio, heat pumps and batteries
- Co-development with customers to decarbonize



Leading portfolio in the industry

- Focus on 3 pillars:
 - 1) Low- or zero-emission power generation
 - 2) Transport and storage of energy
 - 3) Reducing the CO₂ footprint & energy consumption in industrial processes

Financial outlook and framework

		Actuals		Profit forecast			Mid-term target
		FY20	FY21	FY21	FY22	FY23	
Gas and Power	Revenue	€18.1bn	€18.4bn				
	% Change y-o-y ²	(3.1)%	1.5%	2%-6%	1%-5%		
	Adj. EBITA before Special Items	€254m	€849m				
	% Margin before Special Items	1.4%	4.6%	3.5%-5.5%	4.5%-6.5%	6%-8%	
	Restructuring costs ³	€133m	€360m	Cumulative mid-to-high triple digit euro million amount in FY20-23			
Siemens Energy	Revenue	€27.5bn	€28.5bn				
	% Change y-o-y ²	(4.7)%	3.7%	3%-8%	(1)%-3%		Flat to 3% ¹
	Adj. EBITA before Special Items	(€17)m	€661m				
	% Margin before Special Items	(0.1)%	2.3%	2% - <3%	3%-5%	6.5%-8.5%	≥8% Margin reported ⁴
	Tax rate			Medium-term tax rate 25%-30%			

¹ Rolling 3-year average total revenue growth, excluding portfolio and currency effects | ² FY20 nominal change compared to FY19; FY21 nominal change compared to FY20; FY22 comparable change compared to FY21 | ³ Included in Special Items definition | ⁴ Adj. EBITA not adjusted for Special Items

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