

Leading the Energy Transformation

Tim Holt, Member of the Executive Board

Commerzbank and ODDO BHF – German Investment Seminar 2023

January 9-10, 2023 – New York



Disclaimer

INFORMATION AND FORWARD-LOOKING STATEMENTS This document contains statements related to our future business and financial performance, and future events or developments involving Siemens Energy that may constitute forward-looking statements. These statements may be identified by words such as “expect,” “look forward to,” “anticipate” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “project,” or words of similar meaning. We may also make forward-looking statements in other reports, prospectuses, in presentations, in material delivered to shareholders, and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens Energy’s management, of which many are beyond Siemens Energy’s control. These are subject to a number of risks, uncertainties, and other factors, including, but not limited to, those described in disclosures, in particular in the chapter “Report on expected developments and associated material opportunities and risks” in the Annual Report. Should one or more of these risks or uncertainties materialize, should acts of force majeure, such as pandemics, occur, or should underlying expectations including future events occur at a later date or not at all, or should assumptions prove incorrect, Siemens Energy’s actual results, performance, or achievements may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens Energy neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated. This document includes supplemental financial measures – that are not clearly defined in the applicable financial reporting framework – and that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens Energy’s net assets and financial position or results of operations as presented in accordance with the applicable financial reporting framework in its consolidated financial statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.



Acting in a

Changing environment

Our vision

To become the most
valuable energy
technology company

Key messages

Since the start of Siemens Energy in 2020 we have made substantial operational improvements & portfolio changes




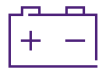
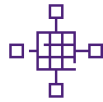

The electricity and energy market is under significant change and will receive substantial investment over the next decades

Siemens Energy is excellent positioned to benefit from these investments

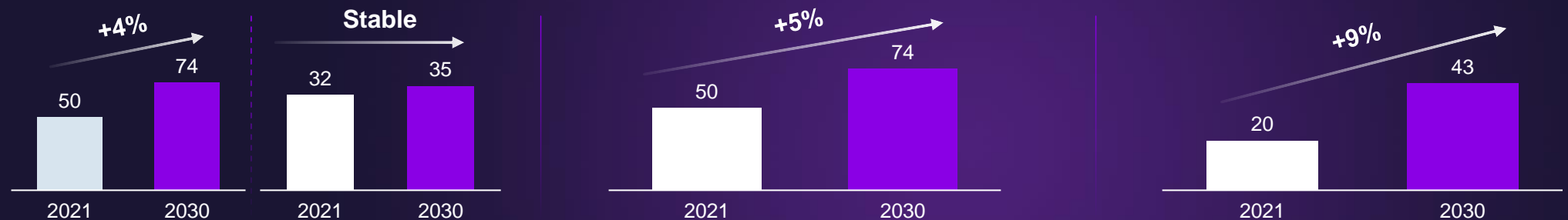
We focus on 5 key levers to create value for our stakeholders

Driving sustainability across our own portfolio and operations will drive profitable growth

Siemens Energy supports its customers along the value chain

	Low- or zero-emission power generation		Transport and storage of electricity		Reducing CO ₂ footprint and energy consumption in industrial processes	
						
Market position	#1 Offshore	#3 Onshore	#1 Gas turbines >10MW ²	#1		Leading market positions
Examples	<ul style="list-style-type: none"> >100GW wind turbine installations 		<ul style="list-style-type: none"> 7,800 units of rotating equipment installed 	<ul style="list-style-type: none"> Global leader in HVDC installations Most comprehensive SF6-free switching portfolio 		<ul style="list-style-type: none"> >60,000 Industrial steam units and >25,000 Compression units in Service Fleet

Market growth¹
(CAGR in GW for wind and in €bn for the other projections)



¹ Wind market based on BloombergNEF, 2H 2021 Global Wind Market Outlook; excl. China; gas turbine, transmission and industrial market based on internal market assessment | ² Power generation applications in H1 FY22

FY22 key awards and milestones

Power generation with low or zero emissions



2.6GW with high efficient gas turbine technology in Mexico

Four plants to deliver reliable and environmental friendly power generation for two million households

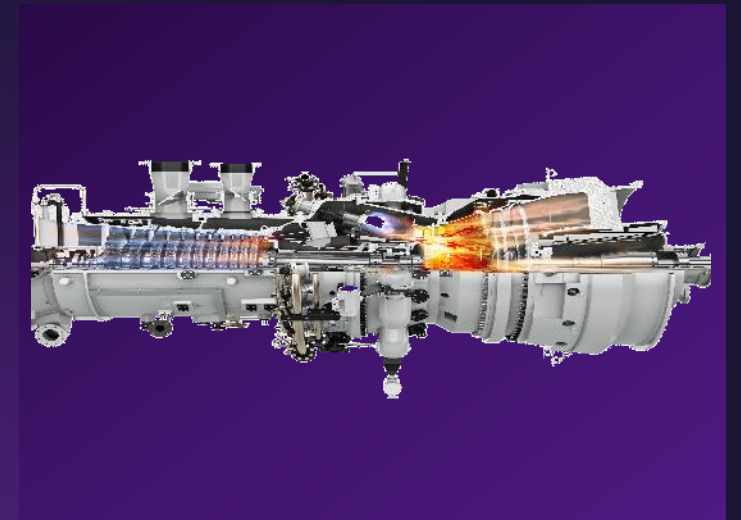
Transport and storage of energy



Largest offshore grid connection order in the history of SE

Turnkey installation and 10 years service contracts of the grid connection systems BorWin4 and DoIWin4

Reducing the CO₂ footprint & energy consumption in industrial processes



NFPS Offshore Compression project of QATARGAS

World's largest Gas Turbine Compressors Frame Agreement: 32x SGT-700 and 20 years service agreement

Siemens Energy defined 5 levers to drive value

01

New operating model

Increase customer focus, transparency and accountability

02

Gas Services

Monetize on installed base through service and decarbonization

03

Grid Technologies

Leverage market leadership to benefit from accelerating investments

04

Transformation of Industry

Decarbonize industrial sector through focus on hydrogen and Electrification, Automatization and Digitalization

05

SGRE

Secure turnaround

ESG is core to our activities and provides a business opportunity



E Environment



S Social



G Governance

Our Targets



Decarbonization

Climate neutral own operations by 2030
Aspiration of **Net Zero** value chain



Gender diversity

25% by 2025
30% by 2030
(share of women in top leadership positions)



Safety

Achieve **Zero Harm**
Become the leader in our industry

Recognition

Top
4%



B-



2022 recap and 2023 outlook

Highlights / Lowlights

- New group structure (since October 1, 2022) providing more transparency
- CTO: 92.72% acceptance; EGM Jan 25 2023, delisting expected in Feb 2023
- Significant progress outside of SGRE (reiterated FY23 targets)
- SGRE's op. performance reflects legacy issues, decisive steps taken
- Solid balance sheet, some further equity raise targeted to fund CTO

Market Environment

- Healthy demand across all businesses outside of wind
- Operating environment in wind industry improving (shift in boundary conditions, pricing and risk sharing)

Siemens Energy Guidance FY23

- Revenue: 3% to 7% comparable¹ (FY22: neg. 2.5%)
- Profit margin before SI: 2% to 4% (FY22: 1.2%)
- Net loss: sharp reduction compared to FY22 (FY22: neg. €647m)
- Free cash flow pre tax: neg. range of low to-mid-triple-digit million

¹ comparable: excluding currency translation and portfolio effects

FY22 Financial Performance

- **Orders: €38.3bn** (+11.9% comp.¹)
- **Revenue: €29.0bn** (-2.5% comp.¹) ; **book-to-bill of 1.32**
- **Record order backlog of €97bn** (of which €bn service)
- **Adj. EBITA before SI: €379m** (down from €661m)
- **Adj. EBITA margin before SI: 1.3%** (FY21: 2.3%)
- **FCF pre tax: €1.5bn** (up from €1.4bn)
- **Dividend suspended for fiscal year 2022**

Siemens Energy Profitability Targets FY25

- Gas Services : 10 – 12%
- Grid Technologies: 8 – 10%
- Transformation of Industries: 6 – 8%

Key Priorities

1

Deliver on FY23 targets

2

Leverage new operating model

3

SGRE turnaround and integration / alignment

4

Capitalize on market opportunities



We energize society



Appendix

2022 key figures, 2023 guidance and mid-term targets

Siemens Energy

Reporting Segments

	Gas Services	Grid Technologies	Transformation of Industry	SGRE
--	--------------	-------------------	----------------------------	------

2022 proforma

Orders	€11.8bn	€10.4bn	€5.7bn	€11.6bn
Revenue	€9.5bn	€6.3bn	€4.1bn	€9.8bn
Profit margin (before SI)	7.2%	3.6%	1.4%	neg. 5.8%

2023 Guidance

Revenue growth	0 - 4%	5 - 9%	5 - 9%	in line with business plan
Profit margin (as reported)	9 - 11%	6 - 8%	3 - 5%	in line with business plan

Mid-term Targets

Revenue growth	Stable / modest decline	Mid single digit	Mid single digit
Profit margin (as reported)	10 - 12%	8 - 10%	6 - 8%

Financial Outlook FY23

FY 2023 Siemens Energy Outlook

Revenue Growth ¹	3 – 7%
Profit Margin before SI	2 – 4%

We expect a sharp reduction of Net loss compared to fiscal year 2022 (actual figure FY 2022: negative €647m).

We expect free cash flow pre tax to be in a negative range of low- to mid-triple-digit million (actual figure FY 2022: €1,503m).

The outlook for Siemens Energy assumes no major negative financial impacts from COVID-19 or other pandemic related events, no further deterioration in the supply chain and raw material cost environment, and excludes charges related to legal and regulatory matters.

¹ Excluding currency translation and portfolio effects

FY 2023 Business Area Assumptions

	Revenue Growth ¹	Profit Margin before SI
Gas Services	0 – 4%	9 – 11%
Grid Technologies	5 – 9%	6 – 8%
Transformation of Industry	5 – 9%	3 – 5%
SGRE	In line with its business plan	





GP
Σ 6 – 8%

The assumptions for Gas Services, Grid Technologies and Transformation of Industry confirm the target of the former GP segment for Adjusted EBITA margin before special items within a range of 6% and 8%.

New group structure

increases customer focus, transparency and accountability...

Siemens Energy

SE Executive Board		Reporting Segments					
CEO	CFO	Gas Services	Grid Technologies	Transformation of Industry	Global Functions	SGRE	
							
Christian Bruch	Maria Ferraro	Karim Amin	Tim Holt	Anne-Laure de Chamard	Vinod Philip	Jochen Eickholt	

...and our new operating model aims at

Clear Structures

Unified go to market

Operational excellence

Focused innovation

New operating model (since October 1, 2022)

with less hierarchy, more accountability and a focus on excellence

Clear Structures



- Hierarchy layers reduced from 11 to 6
- 30% less management positions
- Full P&L units from >80 to 7
- Clear business accountability
- Elimination of portfolio overlaps

Unified go to market



- Harmonized regional footprint with regional Hubs representing all Business Areas
- Integrated customer interfaces for Business Development

Operational excellence



- Integrated global functions generating synergies across Business Areas
- Supply chain excellence
- Process and data harmonization
- Global flexibility of execution resources

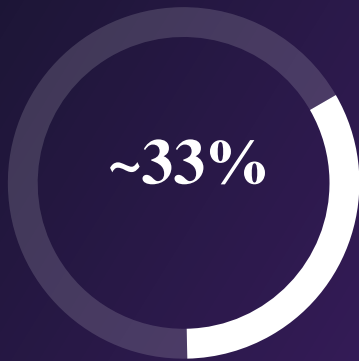
Focused innovation



- Five fields of actions
- Four global innovation centers
- Strengthened collaboration with external partners

Gas Services

Share of Siemens Energy total revenue¹



Revenue¹

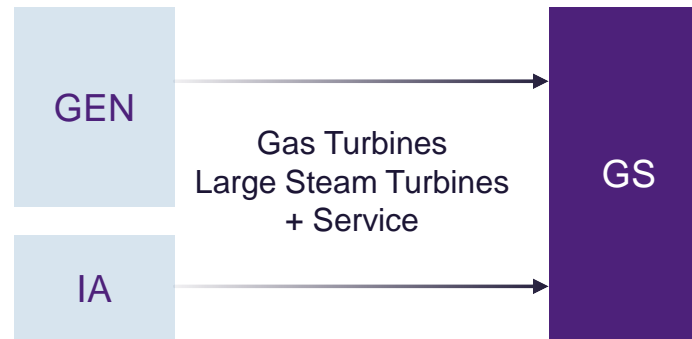
€9.5bn

Profit margin before SI¹

7.2%

Monetize on installed base through service and decarbonization

What has changed in the new group structure?



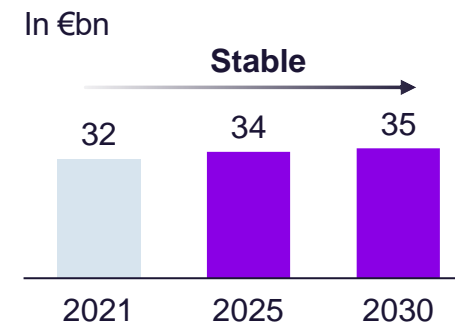
Business Drivers

- Decarbonization of power generation and district heating
- Service, Mods and Upgrades to increase efficiency and lower emissions
- Decentralization of energy infrastructure

Portfolio Elements

- Large and Industrial Gas Turbines from 4 – 600 MW
- Large Steam Turbines
- Large Generators
- Heat Pumps
- Modernization and Upgrades

Addressable Market²



Mid-term Targets

Revenue growth
Stable / modest decline
 Adj. EBITA margin (as reported)
10 – 12%

¹ FY22 pro-forma restated figures reflecting new reporting structure. The pro-forma revenue numbers are rounded to the nearest 50 million and the profitability number to the nearest half percentage point. | ² SE estimates

Grid Technologies

Share of Siemens Energy total revenue¹



Revenue¹

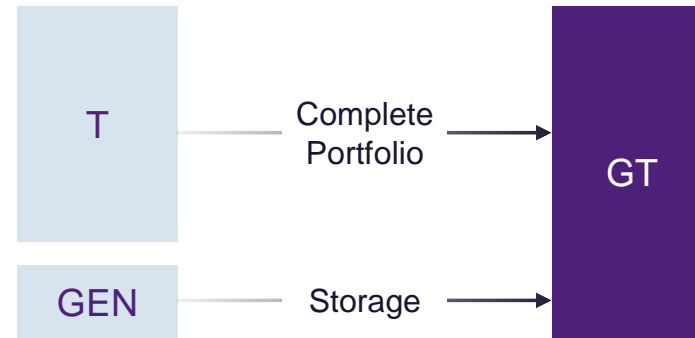
€6.3bn

Profit margin before SI¹

3.6%

Leverage market leadership to benefit from accelerating investment

What has changed in the new group structure?



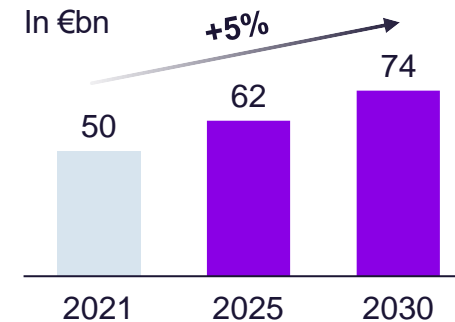
Business Drivers

- Growing electricity demand
- Connection of increasing amount of renewable energy
- Modernization of aging transmission grid
- Grid reliability and resiliency in increasing network complexity

Portfolio Elements

- HVDC transmission
- Grid Stabilization and Storage
- High voltage switchgears and transformers
- Grid automation & digitalization

Addressable Market²



Mid-term Targets

Revenue growth

Mid single digit

Adj. EBITA margin (as reported)

8 – 10%

¹ FY22 pro-forma restated figures reflecting new reporting structure. The pro-forma revenue numbers are rounded to the nearest 50 million and the profitability number to the nearest half percentage point. | ² SE estimates

Transformation of Industry

Share of Siemens Energy total revenue¹



Revenue¹

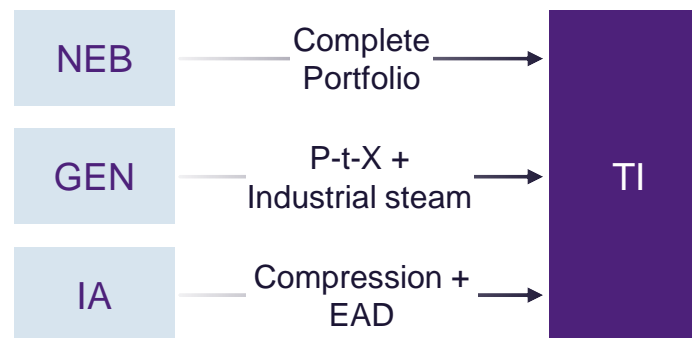
€4.1bn

Profit margin before SI¹

1.4%

Decarbonize industrial sector through focus on hydrogen and EAD

What has changed in the new group structure?



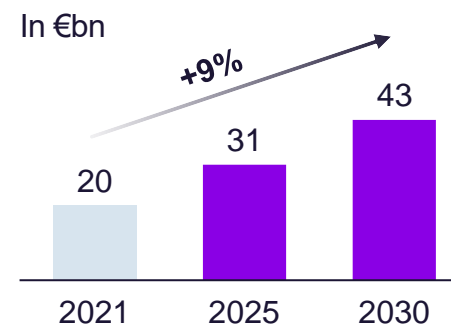
Business Drivers

- Growing demand for green hydrogen and derivative fuels
- Increasing electrification and efficiency of industrial processes
- Optimization demand of heat & power processes incl. waste heat utilization
- Need for reliable production, transportation and processing of gas and fuels

Portfolio Elements

- Hydrogen electrolyzer systems and Power-to-X solutions
- Integrated EAD solutions and services
- Industrial steam turbines and generators
- Turbo & Recip compressors and service; compression systems

Addressable Market²



Mid-term Targets

Revenue growth

Mid single digit

Adj. EBITA margin (as reported)³

6 – 8%

¹ FY22 pro-forma restated figures reflecting new reporting structure. The pro-forma revenue numbers are rounded to the nearest 50 million and the profitability number to the nearest half percentage point. |

² SE estimates | ³ Business Area profitability target range reflects different target ranges of independently managed businesses. Growth businesses may be margin dilutive to the mid-term Business Area target

Siemens Gamesa Renewable Energy

Share of Siemens Energy total revenue¹



Revenue¹

€9.8bn

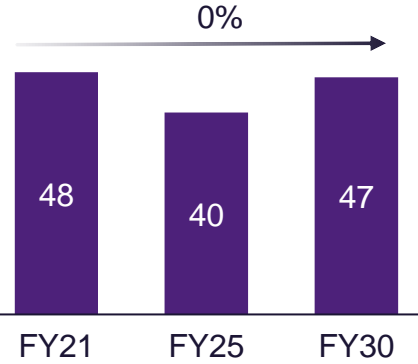
Profit margin before SI¹

-5.8%

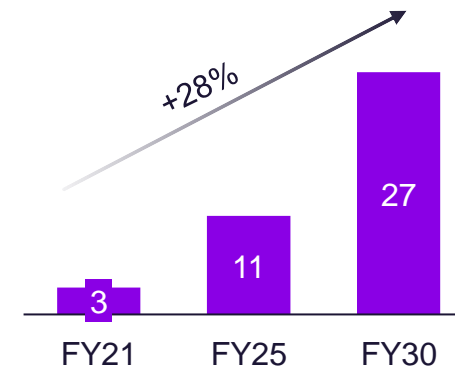
Secure turnaround

Wind market shows exceptional future growth

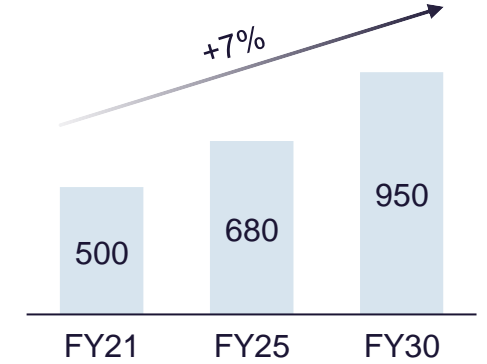
Annual global onshore wind installations² (GW, excl. China)



Annual global offshore installations² (GW, excl. China)



Global installed capacity in wind³ (GW, excl. China)



Mistral program to be launched as vehicle to achieve long-term vision

Program approach adjusted to **face recent industry challenges**

Immediate focus on mitigating short-term headwinds:
Siemens Gamesa 5.X and supply chain

Key levers identified to achieve margin expansion by mid-term

Transformational measures to be explored, in order to unlock full potential of SGRE

¹ FY21 | ² BloombergNEF, 2H 2021 Global Wind Market Outlook; excl. China | ³ BloombergNEF, Wind Cumulative Installed Capacity and Forecast by Country (2022); excl. China

Siemens Energy recognized for transparency in ESG performance demonstrated by rating improvements vs. previous year



#7 of 218 in industry,
low risk rating

▲ **16.5** (17.4)



B- prime (1st
decile rank
in industry)

▲ **60.3** (57.5)



A (on a scale of
AAA – CCC)

▲ **5.7** (5.3)

Disclosures provide transparency

Sustainability Report

Task Force on Climate-related
Financial Disclosures (TCFD)

UN Global Compact
Communication on Progress

B (on a scale
of A to D)



Next update in Dec.

Gold Label
(69/100)



▲ **69** (63)

▲ = rating change. **2022 rating** (2021 rating)

2023-01-09/10