

Well placed to lead the energy transformation

Maria Ferraro, Chief Financial Officer

Morgan Stanley 9th Annual Laguna Conference

September 13, 2021



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Siemens Energy is well positioned to lead the energy transition

Siemens Energy AG

Revenue FY20: € 27.5 bn

67% owned

Gas and Power
("GP")

~65%
of SE Revenue

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

~35%
of SE Revenue

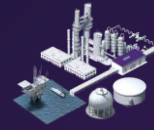
Generation

#1 Distributed
#3 Central



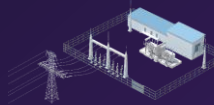
~25%

Industrial Applications
#2



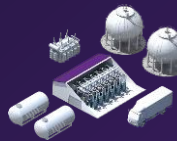
~20%

Transmission
#1



~20%

**New
Energy**

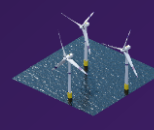


Onshore
#3



~20%

Offshore
#1



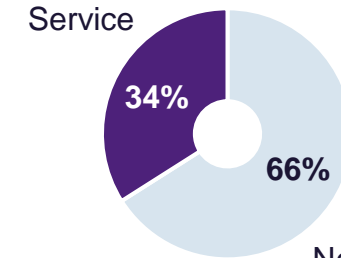
~10%

Service
#1



~5%

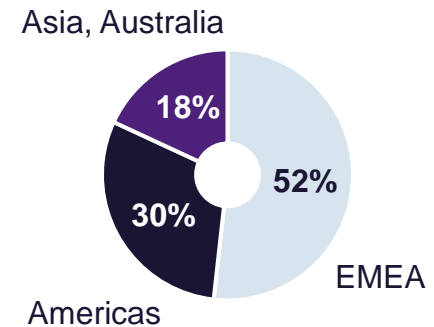
Revenue by type



Gas and Power
Service share: 42%

SGRE
Service share: 19%

Revenue by geography



Two core markets:
EMEA, Americas

Further upside
in Asia

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

Gas & Power on track, SGRE impacted by onshore wind business

Market Environment

- Early signs of market recovery
- Rising raw material cost
- COVID impact less pronounced

Restructuring

- Rapid implementation in non-co-determined countries
- GER: Negotiations in arbitration; Voluntary Leaver Program in execution

Guidance 2021

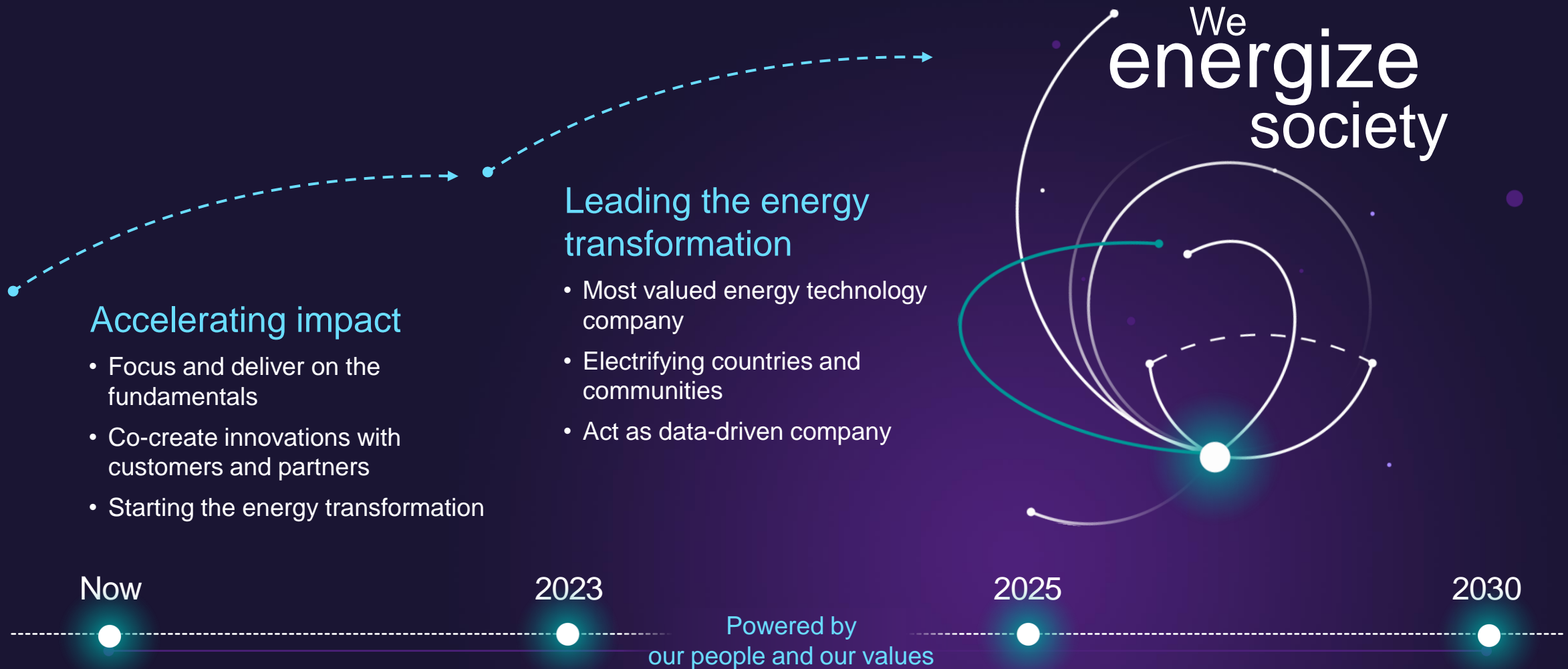
- Revenue growth 3% – 8%
- Adj. EBITA Margin before SI 2% to <3%

Q1 – Q3 FY21

Financial Performance

- **Revenue: +2.3%** (+6.2% comp.) at €20.3bn; **book-to-bill ratio of 1.18**
- **Order backlog: at around €83bn**
- **Adj. EBITA before SI:** Sharply increased to **€708m** (up from neg. €87m); **margin of 3.5%** (up from neg. 0.4%)
- **Net income at neg. €177m** (up from neg. €1,469m)
- **FCF pre-tax: improved to €373m** (up from €272m)

On track with our company program Energy of Tomorrow



Three pillars underpinning our strategy



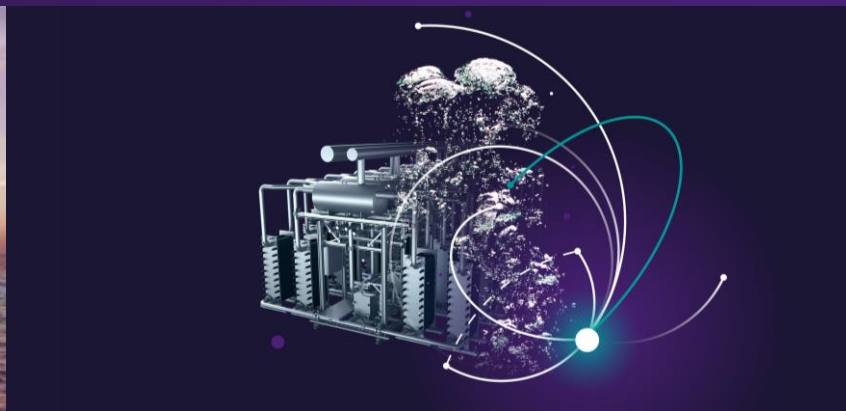
Low- or zero-emission
power generation



Transport and storage
of energy



Reducing the CO₂ footprint & energy
consumption in industrial processes



Siemens Energy's ESG performance well received



Climate protection seal from the Science Based Target Initiative-(SBTi)



Prime Rating from ISS ESG



MSCI ESG Rating upgrade



Top ranking by ESG-agency Sustainalytics



Silver medal by EcoVadis



We are #TeamPurple #WeEnergizeSociety



Questions & Answers



2021

Sep 13

Sep 22

Nov 10

Morgan Stanley
9th Annual Laguna
Conference

Berenberg & Goldman
Sachs German
Corporate Conference

Q4 FY21

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Appendix

On track to deliver on what we promised



Leader in energy industry

Leading market positions

1/6 of global electricity generation based on SE technology

Unique position as sole pureplay



Service Business as a core value driver

Installed base of >90,000 units of rotating equipment

Resilient and high profit margin business

R&D focus on serviceability



Reach operational performance (after Spin-off)

>€300m additional cost reduction announced

7,800 additional job reductions announced

Decisive footprint decisions (e.g., Le Havre, Orleans)

Decisive portfolio decisions (exit new coal power plant business, wind down of large AGTs)



More EBITA and more cash

3.5% Adj. EBITA margin before SI in Q1-Q3 FY21 (vs. -0.4% in Q1-Q3 FY20)

Improved FCF pre-tax in Q1-Q3 FY21 (€373m vs. €272m in Q1-Q3 FY20)



Developing future portfolio with focus on sustainability and service

Sustainability integral part of our strategy

€1 bn R&D investment focusing on 3 pillars

SBTi confirms SE CO₂ saving targets

Excellent sustainability ratings (e.g., Sustainalytics, ISS & MSCI)



Leading portfolio in the industry

Benefitting from global rising demand of clean energy (Biden plan, China "3060 targets", EU Green Deal)

Active in future energy technologies (e.g., hydrogen, offshore wind, SF6-free products)

Decarbonization solutions for industry and power generation

Financial outlook and framework

		Actuals		Profit forecast		3-year guidance	Mid-term target
		FY19	FY20	FY20	FY21	FY23	
Gas and Power	Revenue	€18.7bn	€18.1bn	(5)%-(3)%	2%-6%		
	% Growth y-o-y ²	(1.4)%	(3.1)%	✓			
	Adj. EBITA before Special Items	€836m	€254m				
	% Margin before Special Items	4.5%	1.4%	0%-2%	3.5%-5.5%	6%-8%	
	Restructuring costs ³	€247m	€133m	✓			
				Cumulative mid-to-high triple digit euro million amount in FY20-23			
Siemens Energy	Revenue	€28.8bn	€27.5bn	(5)%-(2)%	3%-8%		Flat to 3% ¹
	% Growth y-o-y ²	2.8%	(4.7)%	✓			
	Adj. EBITA before Special Items	€1,517m	(€17)m				
	% Margin before Special Items	5.3%	(0.1)%	(1)%-1%	2% - <3% (prev. 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 FY19 growth compared to FY18; FY20 growth compared to FY19

| ³ Included in Special Items definition | ⁴ Adj. EBITA not adjusted for Special Items

Framework for value creation

Performance

✓ Covered in incentive framework

6.5-8.5% ✓

Adj. EBITA margin before
Special Items
**Siemens Energy
FY23 target**

Flat to 3%

Rolling 3-year average
revenue growth
**Siemens Energy
mid-term target²**



≥8% ✓

Adj. EBITA margin
**Siemens Energy
mid-term target¹**

Cash Conversion
Rate = 1-revenue
growth ✓

Rolling over 3 years⁵
FCF/Adj. EBITA
**Siemens Energy
FY23 target**

Portfolio

**Research and
Development**

~€1bn
annual spending

**Portfolio
optimization**

Resize
the portfolio

Financial policy

Capital structure

**Solid investment
grade rating**

Adj. (Net Cash)/Net Debt³
to EBITDA below 1.5x

Dividend policy

40-60%
pay-out ratio⁴

¹ Adj. EBITA not adjusted for Special Items | ² Excluding portfolio and currency effects | ³ Adj. (Net Cash)/Net Debt defined as short-term debt and current maturities of long-term debt + long-term debt + payables to Siemens Group from financing activities – cash and cash equivalents – receivables from Siemens Group from financing activities + provisions for pensions and similar obligations | ⁴ Pay-out based on the Group's net income attributable to shareholders of Siemens Energy AG. Net income may be adjusted for extraordinary non-cash effects. Siemens Energy will not make a dividend payment for FY20 except for a statutory minimum dividend of up to €29 m in case of sufficient distributable profits | ⁵ Based on the CAGR of revenue over the fiscal years 2021 to 2023, excluding portfolio effects and currency effects