

# Siemens Energy delivers another solid quarter

Christian Bruch, President and CEO Siemens Energy

Maria Ferraro, CFO Siemens Energy

Analyst presentation Q2 FY24

Berlin, May 8, 2024



# 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.

# CEO section

Christian Bruch, CEO



# Key Messages

## Highlights

- Strong revenue growth driven by Grid Technologies and Transformation of Industries and better than expected profitability
- Progress in line with expectations at Siemens Gamesa; steps taken to secure return to profitability
- Strong progress in divestment program – sound balance sheet

## Market Environment

- Strong electricity growth drives demand for our products
- Offshore auctions to shape medium-term demand; European initiative to support the ramp-up of offshore industry in development

## Siemens Energy FY24 Guidance raised

- Revenue: 10% to 12% comparable<sup>1</sup>; prev. 3% to 7%
- Profit margin before SI: neg. 1% to 1%; prev. neg. 2% to 1%
- Net Income: up to €1bn (incl. impacts from disposals; unchanged)
- Free cash flow pre tax: up to pos. €1bn; prev. around neg. €1.0bn
- Proceeds from disposals: ~€3bn; prev. ~€2.5 to 3.0bn

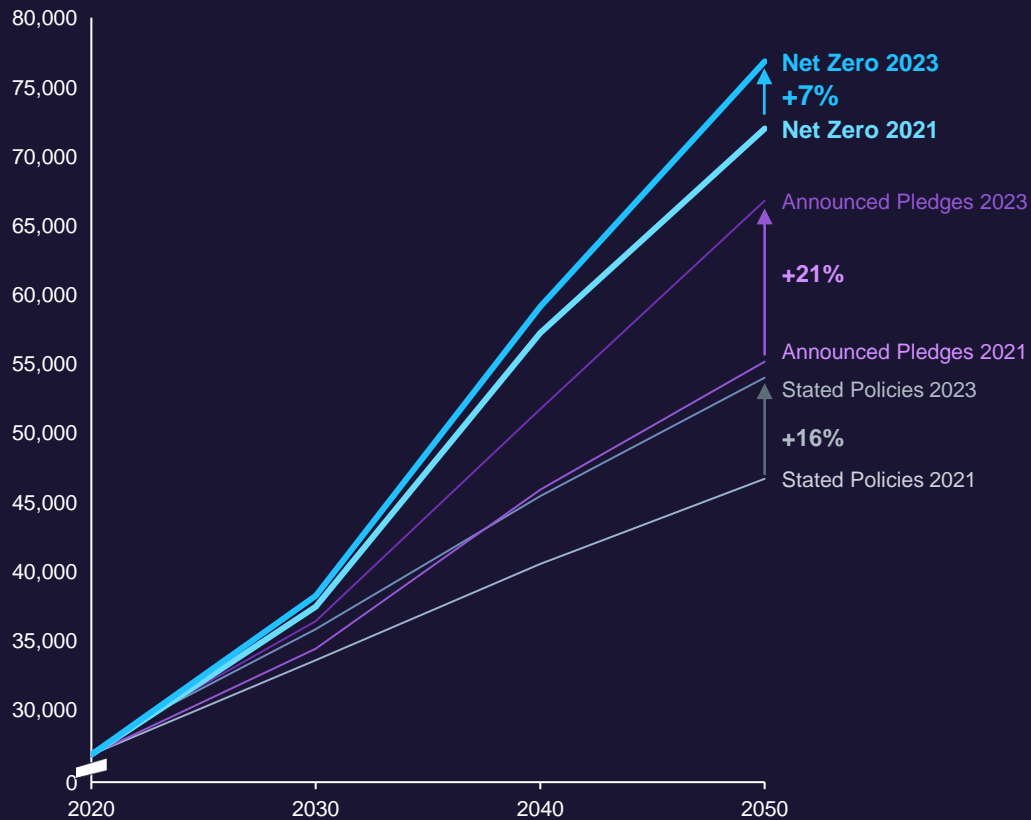
<sup>1</sup> Comparable: excluding currency translation and portfolio effects  
2024-05-08

## Q2 FY24 Financial Performance

- **Order backlog at new high of €119bn**
- **Orders: -21.8% comp.<sup>1</sup> at €9.5bn**
- **Revenue: +3.7% comp.<sup>1</sup> at €8.3bn; book-to-bill of 1.14**
- **Profit before SI: pos. €170m (Q2 FY23: €41m)**
- **Profit margin before SI: pos. 2.1% (Q2 FY23: pos. 0.5%)**
- **FCF pre tax: pos. €483m (Q2 FY23: neg. €294m)**
- **Adj. Net cash/(Net debt): pos. €1,300m (Q2 FY23: neg. €693m)**

# Higher than expected electricity growth...

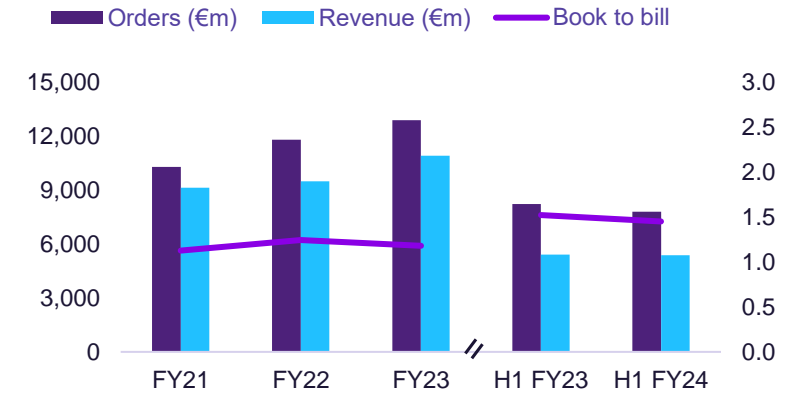
Global electricity generation scenarios 2021 vs. 2023 (TWh)



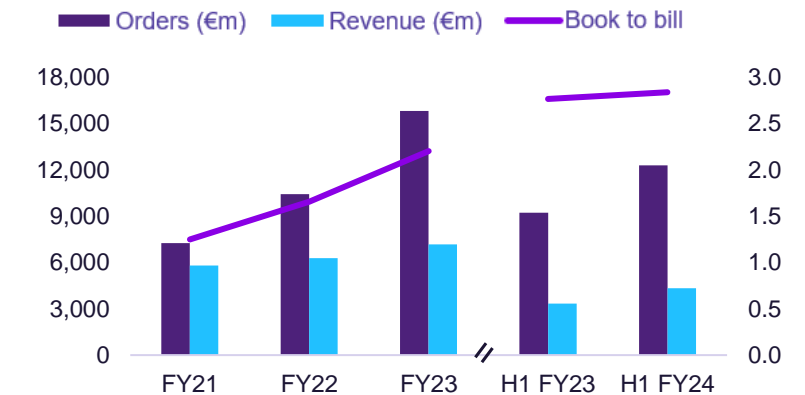
Source: IEA WEO 2021 / 2023  
2024-05-08

# ...drives Siemens Energy business

Gas Services



Grid Technologies



# Siemens Gamesa

## Clear way forward

### Stabilizing 4.X and 5.X platforms and focus on core markets

- No new technical findings and no material change to cost assumptions related to quality topics
  - Europe and US as core markets to be addressed by revised 4.X and 5.X platforms
  - Sales activity for 4.X in Europe to resume by end of FY24
  - Optimization of manufacturing footprint ongoing
- 

### Building on our leading market position to deliver profitable growth

- Ongoing ramp-up activities with improvement made in Hull; all other facilities in line
  - SG 14 MW to be the volume product until the end of the decade
- 

### Reduced hierarchical layers and clear business accountability

- Streamlining of the organization in line with Siemens Energy principles
- Integrate service and new unit business with a focus on an enhanced client value proposition
- Corporate function integration with Siemens Energy

Onshore

---

Offshore

---

New organization

# Q2 FY24 Awards and Milestones

## Power generation with low or zero emissions

### Gas Services



#### Coal-to-gas transition in Adamow, Poland

- Replacement of a coal-fired power plant with a modern combined-cycle power plant (CCGT)
- 560 MW CCGT including SGT5-4000F gas turbine, generator and steam turbine
- 50% less CO<sub>2</sub> emissions

### Siemens Gamesa

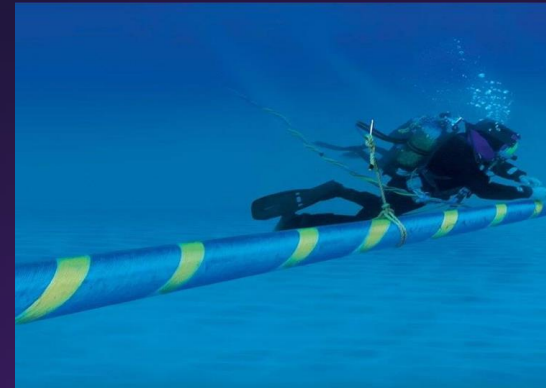


#### First SG 14-222 DD wind turbine installed at Moray West wind farm

- First of 60 SG 14-222 DD with an overall capacity of 882 MW installed in Moray Firth, Scotland
- Enough power for 1.3 million homes in the UK
- First power generation expected mid 2024

## Transport and storage of energy

### Grid Technologies



#### HVDC underwater cable connecting northern and southern Italy

- 250 km long bidirectional HVDC underwater cable with transmission capacity of 2x 500 MW
- SE will engineer and manufacture the main components of converter stations in Europe
- Second HVDC project in Italy

## Reducing the CO<sub>2</sub> footprint

### Transformation of Industry



#### First full-array electrolyzer at Trailblazer green hydrogen plant

- Installation at Air Liquide's green hydrogen production plant
- Supply of green hydrogen into an existing H<sub>2</sub> pipeline to supply regional industry
- Production plant located in Oberhausen, Germany

# CFO section

Maria Ferraro, CFO

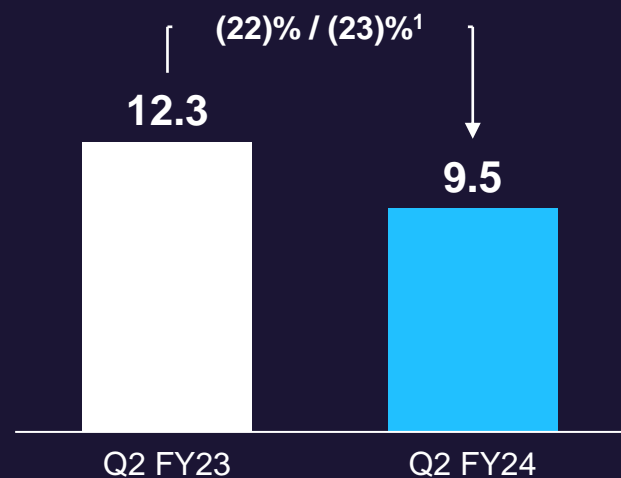


# Siemens Energy Group: Another solid quarter benefitting from positive market environment

## Q2 FY24

### Orders

in €bn

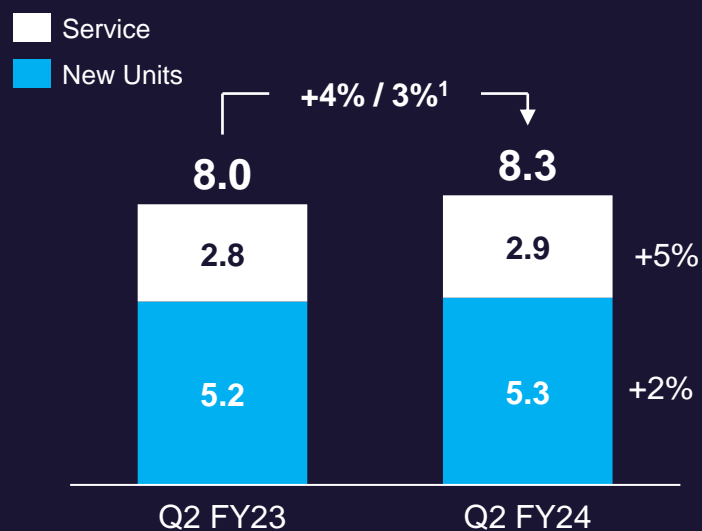


**Order backlog<sup>2</sup> €119bn**

Q1 FY24: €118bn

### Revenue

in €bn

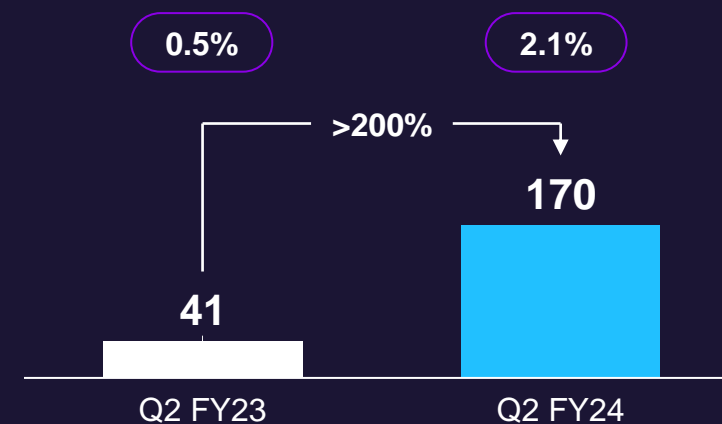


**Book-to-bill Ratio 1.14**

Q2 FY23: 1.53

### Profit before SI

in €m



**Free Cash Flow<sup>3</sup> €483m**

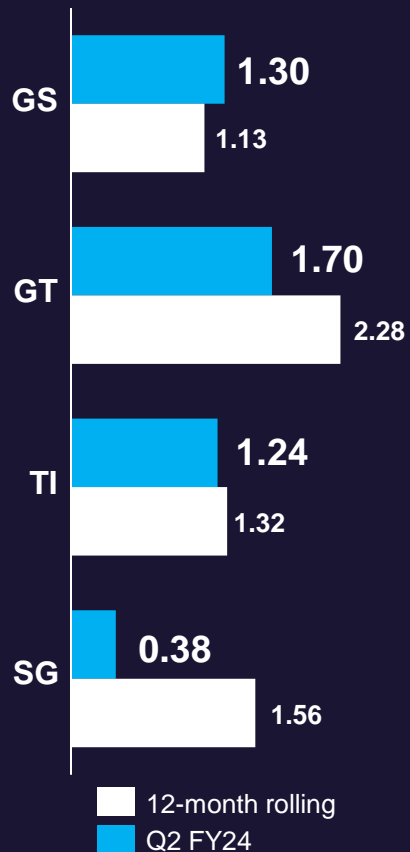
Q2 FY23: €(294)m

<sup>1</sup> xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal | <sup>2</sup> As of March 31, 2024 | <sup>3</sup> Free Cash Flow pre tax  
2024-05-08

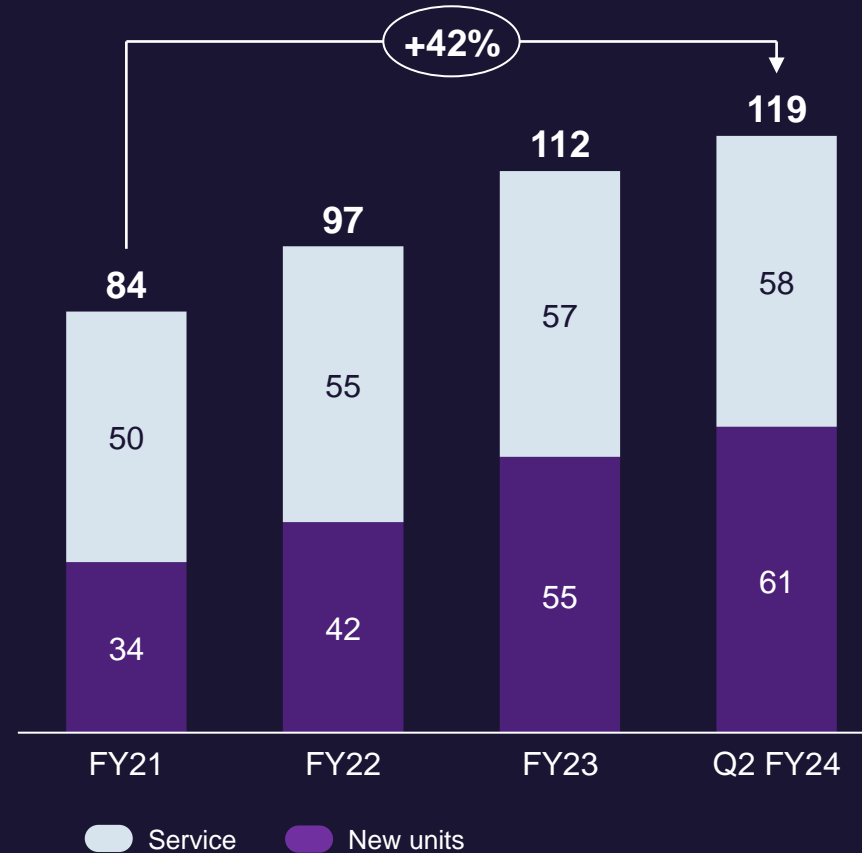
**X.X%** Profit margin before Special Items

# Increasing order backlog as a source of strength and resilience

## Book-to-bill Q2 FY24



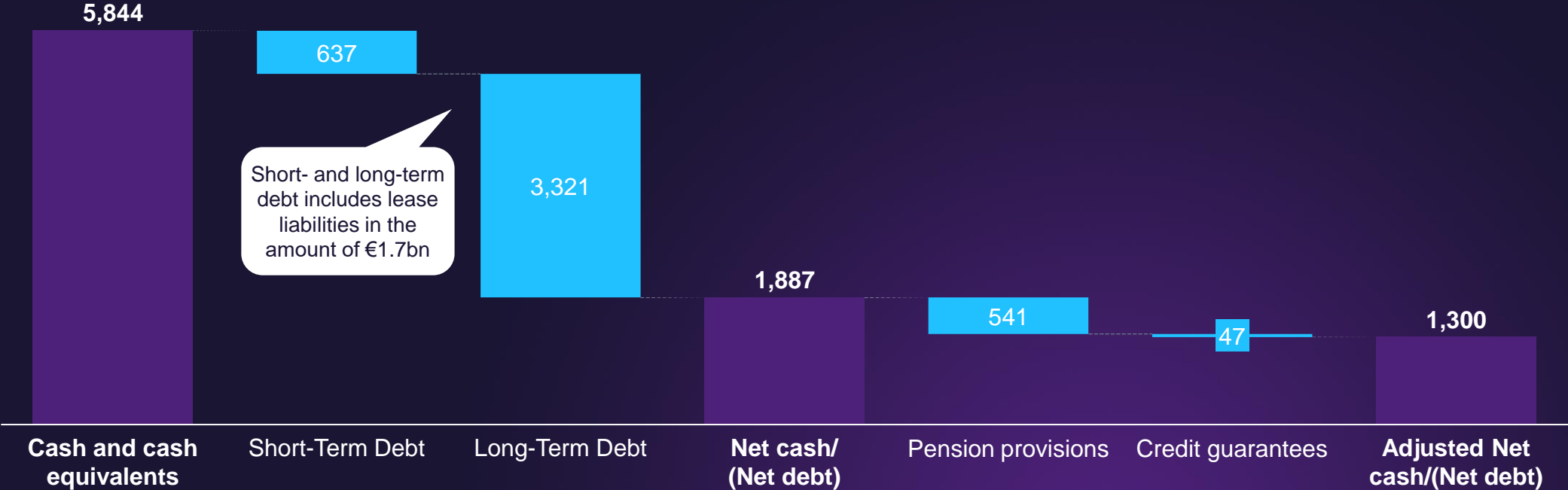
## SE order backlog development (€bn)



- Large majority of FY24 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 support our mid-term targets
- Backlog covering almost 4x annual revenue

# Net cash position expanded

Net cash/(Net debt) as of March 31, 2024 (in €m)



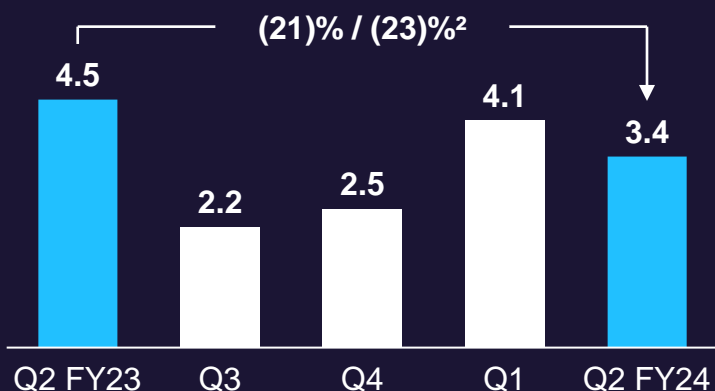
**Siemens Energy: €9.8bn liquidity available (€5.8bn cash, €4.0bn undrawn facilities)**

# Gas Services: Strong track record in profitability continues

## Q2 FY24<sup>1</sup>

### Orders

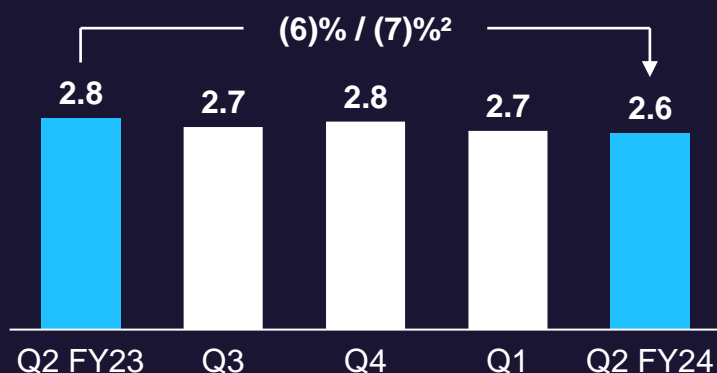
in €bn



- Substantially below the high level of prior year due to a substantial lower volume from large orders especially in the new unit business
- Orders in service business were only slightly down y-o-y

### Revenue

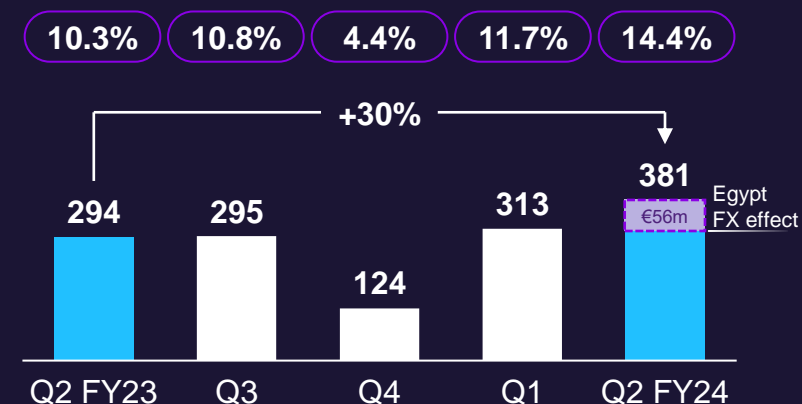
in €bn



- Clear revenue decrease y-o-y
- Growth in the service business was more than offset by a decrease in the new unit business

### Profit before SI

in €m



- Profit before SI above the already high level of prior year's strong quarter benefiting from strong service revenue and positive one-off effects mostly from currency

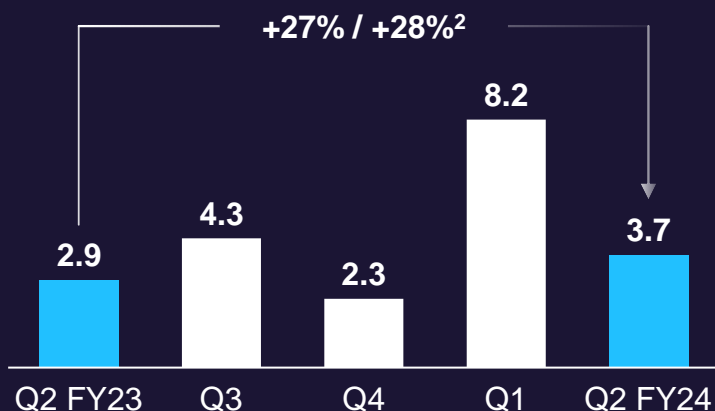
<sup>1</sup> Prior year figures are presented on a comparable basis | 2 xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal  
2024-05-08

# Grid Technologies: Significant improvement across all KPIs

## Q2 FY24<sup>1</sup>

### Orders

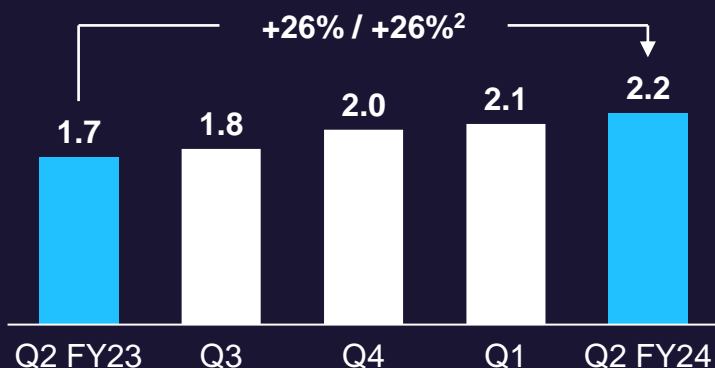
in €bn



- Substantial increase driven by product and solution businesses
- Large high-voltage direct current (HVDC) order in Italy

### Revenue

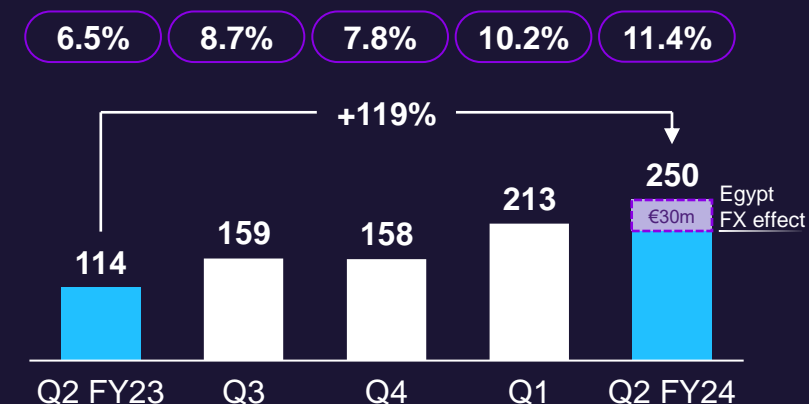
in €bn



- Substantial increase in all businesses with main contributions both from the product and solution businesses

### Profit before SI

in €m



- Profit before SI more than doubled driven by higher volume, comparatively higher margins in the processed order backlog as well as a positive currency effect

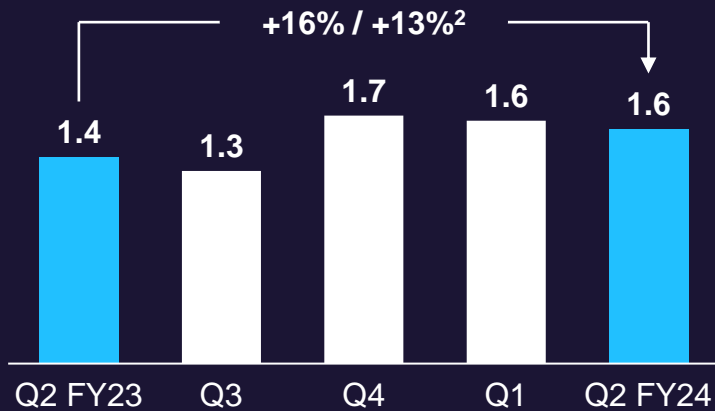
<sup>1</sup> Prior year figures are presented on a comparable basis | <sup>2</sup> xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal  
2024-05-08

# Transformation of Industry: Executing according to plan

## Q2 FY24<sup>1</sup>

### Orders

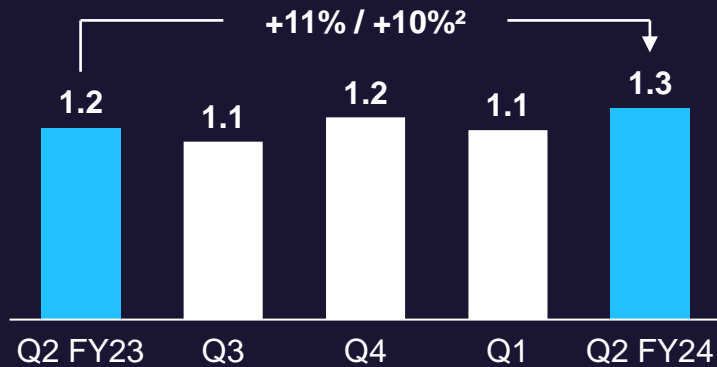
in €bn



- Significant increase y-o-y driven by a large order in the Compression business in the Middle East of nearly €400m

### Revenue

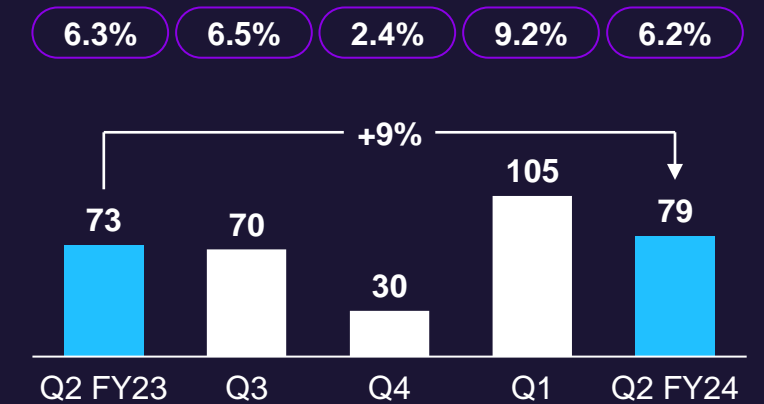
in €bn



- Significant increase y-o-y with all businesses at or above prior-year quarter's level
- 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 but impacted by negative one-off effects and a factory ramp-up in the Sustainable Energy System business

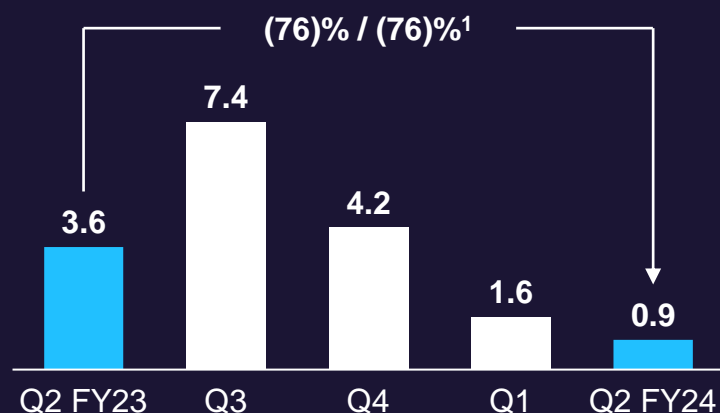
<sup>1</sup> Prior year figures are presented on a comparable basis | <sup>2</sup> xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal

# Siemens Gamesa: Progressing in line with expectations

## Q2 FY24

### Orders

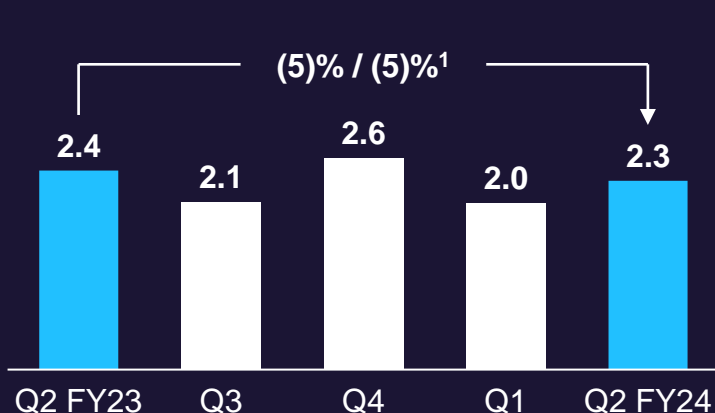
in €bn



- 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

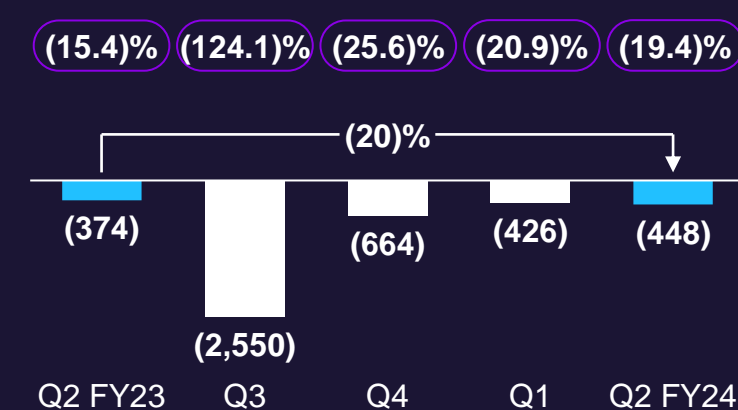
in €bn



- Revenue declined moderately as lower revenue in the onshore and service business more than offset growth in the offshore area

### Profit before SI

in €m



- Profit continued to be impacted by project margins burdened by higher planned costs due to the known quality issues in onshore as well as increased costs and ramp-up continuing in the offshore area

# Financial outlook raised

## Fiscal Year 2024

	FY24 Outlook			
	Revenue Growth <sup>1</sup>		Profit Margin before SI <sup>2</sup>	
Gas Services	(2) – 0%	(prev. (4) – 0%)	9 – 11%	(unchanged)
Grid Technologies	32 – 34%	(prev. 18 – 22%)	8 – 10%	(prev. 7 – 9%)
Transformation of Industry	14 – 16%	(prev. 8 – 12%)	5 – 7%	(unchanged)
Siemens Gamesa	10 – 12%	(prev. 0 – 4%)	around neg. €2.0bn	(unchanged)
<b>Siemens Energy</b>	<b>10 – 12%</b>	<b>(prev. 3 – 7%)</b>	<b>(1) – 1%</b>	<b>(prev. (2) – 1%)</b>
Net Income				up to €1bn (unchanged) incl. impacts from disposals
Free Cash Flow pre tax <sup>3</sup>				up to pos. €1bn (prev. around neg. €1.0bn)
Proceeds from disposals				around pos. €3bn (prev. range of pos. €2.5 – €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 cashflow and additions to intangible assets and PPE less Income taxes paid

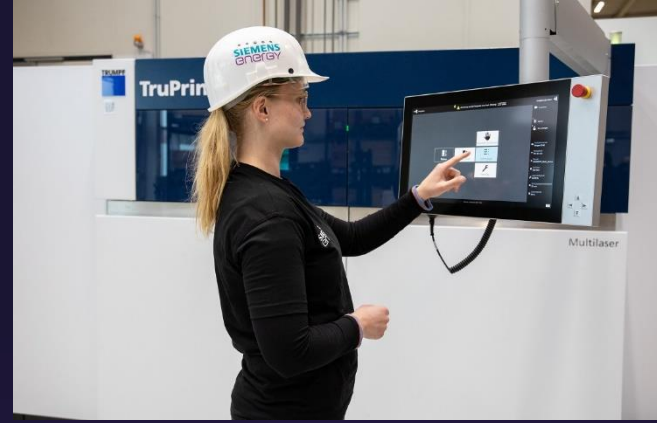
# Key Priorities

---

**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

May 8

May/June

Aug 7

September

Nov 13

Q2 FY24

Conferences and roadshows

Q3 FY24

Conferences and roadshows

Q4 FY24

## Contact Investor Relations



**Michael Hagmann**

Head of Investor Relations  
michael.hagmann@siemens-energy.com  
+49 173 2669650



**Harald Albrecht**

albrecht.harald@siemens-energy.com  
+49 174 1766254



**Tobias Hang**

tobias.hang@siemens-energy.com  
+49 172 5744423



**Cristina Perea Saenz De Buruaga**

Cristina.perea@siemensgamesa.com  
+34 600 92 27 80



**Lisa Class**

Team Assistant  
lisa.class@siemens-energy.com  
+49 89 6362 5358



**Siemens Energy AG**

Otto-Hahn-Ring 6  
81739 Munich, Germany  
investorrelations@siemens-energy.com  
www.siemens-energy.com/investorrelations

# Appendix

# FY24 financial considerations for SE

<b>Reconciliation line on Profit before Special Items</b>	~ neg. €250m ( <i>unchanged</i> )
<b>Financial result</b>	~ neg. €400m ( <i>prev. €300m</i> ), incorporating a negative impact related to the change in fair values of transaction related derivatives <sup>1</sup> of €100m, which may be subject to change
<b>R&amp;D</b>	~ €1.2bn ( <i>unchanged</i> )
<b>Capex</b>	~ €1.8bn ( <i>unchanged</i> )
<b>Gains from disposals</b>	~ pos. €2bn ( <i>unchanged</i> )

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

# Additional financial disclosure for Siemens Gamesa

		Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
<b>WTG</b>	Profit Margin before SI	(22.6)%	(129.3)%	(33.8)%	(26.4)%	(21.6)%
	<b>Onshore</b>					
	Revenue (€m)	1,042	651	914	691	705
	Volume (MWe)	1,487	1,300	1,317	742	728
	Order intake (€m)	708	573	875	476	92
	Order intake (MW) <sup>1</sup>	794	717	1,244	759	56
	Order backlog (€m)	5,483	5,318	5,325	5,084	4,244
	ASP (€m/MW) <sup>1</sup>	0.90	0.80	0.70	0.63	n/a
<b>Offshore</b>	Revenue (€m)	827	964	1,053	780	1,078
	Volume (MWe)	719	871	1,086	461	761
	Order intake (€m)	1,790	5,279	2,232	504	244
	Order intake (MW)	1,496	4,884	1,518	294	0
	Order backlog (€m)	11,379	15,771	17,046	16,556	15,829
<b>Service</b>	Revenue (€m)	569	438	624	572	530
	Order intake (€m)	1,142	1,506	1,118	585	544
	Order backlog (€m)	17,770	18,808	19,303	19,196	19,137
	Installed Fleet (MW)	131,574	133,684	136,869	138,523	139,558
	Fleet under maintenance (MW)	83,574	83,297	81,873	83,672	85,021
	Profit Margin before SI	8.3%	(105.1)%	0.4%	(4.1)%	(8.1)%

<sup>1</sup> Onshore order intake (MW) and average selling price of onshore order intake include only wind orders  
2024-05-08

# Net Income Transition

In €m	Siemens Energy			
	Q2 FY23	Q2 FY24	H1 FY23	H1 FY24
Gas Services	326	377	649	697
Grid Technologies	111	510	214	683
Transformation of Industry	81	84	133	175
Siemens Gamesa	(386)	(365)	(1,209)	(799)
<i>Reconciliation to Siemens Energy</i>	<i>(67)</i>	<i>(105)</i>	<i>(107)</i>	<i>1,623</i>
<b>Profit</b>	<b>64</b>	<b>501</b>	<b>(320)</b>	<b>2,379</b>
<i>Profit margin</i>	<i>0.8%</i>	<i>6.1%</i>	<i>(2.1)%</i>	<i>14.9%</i>
Amortization of intangible assets acquired in business combinations and goodwill impairments	(71)	(65)	(167)	(130)
Financial result	(37)	(138)	(67)	(250)
<b>Income before income taxes</b>	<b>(43)</b>	<b>298</b>	<b>(554)</b>	<b>1,999</b>
Income tax (expenses/gains)	(146)	(189)	(234)	(308)
<b>Net income</b>	<b>(189)</b>	<b>108</b>	<b>(787)</b>	<b>1,690</b>
Attributable to				
Non-controlling interests	15	41	(110)	72
Shareholders of Siemens Energy AG	(204)	(68)	(677)	1618

Note: Prior year figures are presented on a comparable basis  
2024-05-08

# Cash Flow Statement

In €m	Siemens Energy			
	Q2 FY23	Q2 FY24	H1 FY23	H1 FY24
<b>Net income</b>	<b>(189)</b>	<b>108</b>	<b>(787)</b>	<b>1,690</b>
Amortization, depreciation and impairments	361	357	719	718
Change in operating net working capital				
Contract assets	(175)	(178)	(267)	(139)
Inventories	(272)	(431)	(1,096)	(1,090)
Trade receivables	(197)	(115)	(651)	(313)
Trade payables	(59)	104	(112)	(454)
Contract liabilities	513	955	1,996	2,101
Others	(145)	(184)	157	(2,034)
<b>Cash flow from operating activities</b>	<b>(159)</b>	<b>613</b>	<b>(41)</b>	<b>482</b>
Additions to intangible assets and property, plant and equipment	(261)	(316)	(494)	(550)
<b>Free cash flow</b>	<b>(420)</b>	<b>297</b>	<b>(535)</b>	<b>(68)</b>
Income taxes paid	(126)	(186)	(184)	(268)
<b>Free Cash Flow pre tax</b>	<b>(294)</b>	<b>483</b>	<b>(351)</b>	<b>200</b>
therein Gas Services	109	512	491	748
therein Grid Technologies	561	479	927	1,246
therein Transformation of Industry	(4)	146	(65)	241
therein Siemens Gamesa	(886)	(582)	(1,496)	(1,754)

Note: Prior year figures are presented on a comparable basis  
2024-05-08