

Solid operational performance and strong order intake

Christian Bruch, President and CEO Siemens Energy

Maria Ferraro, CFO Siemens Energy

Analyst presentation Q2 FY21

Munich, May 5, 2021



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CEO section

Christian Bruch, CEO

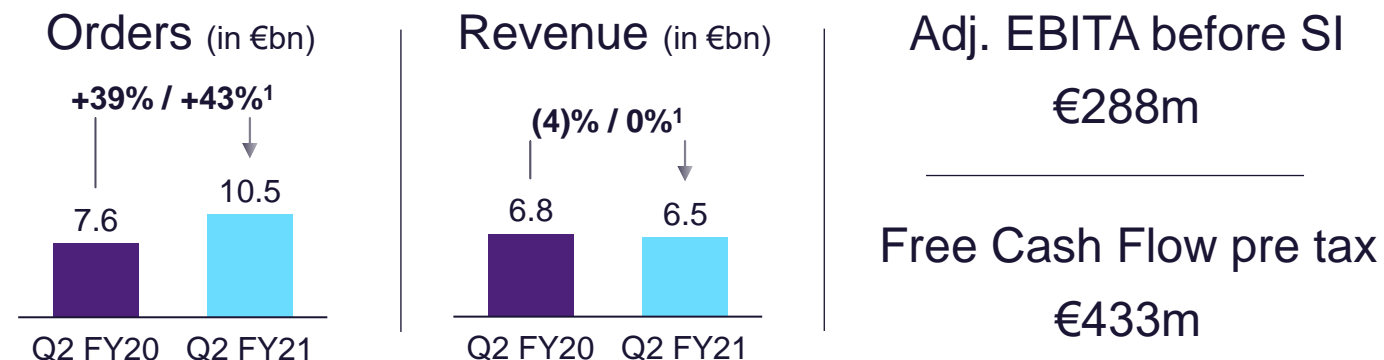
Solid operational performance and strong order intake

Highlights / Milestones

Market environment

Guidance

Q2 FY21 Key Messages



First AGM February 10

Hydrogen Day March 19

DAX-30 entry March 22

Sustainalytics ranking (#7 out of 177)

Large scale investments triggered by stimulus programs expected
FX headwinds and continuing Covid-19 impact

Revenue guidance narrowed to 3 - 8% (prev. 2% - 12%)

Margin guidance of 3% - 5% confirmed

¹ xx% / xx% = nominal / comparable (excluding currency translation and portfolio effects)

Covid-19 update

Employees

Health and Safety of employees priority #1

Business continuity

All fabrication sites operating; some with slightly reduced capacity
No major supply chain interruptions

Business impact

Deferrals of orders, projects and outages, limitations of site access
Lower discretionary cost

Focus and deliver on fundamentals

Co-create innovations with customers and partners

Starting the energy transformation

Executing our strategy

Restructuring outside of Germany advancing well
Voluntary Leaver Program offered to German employees;
negotiations with employee representatives continuing

Vattenfall – large scale heat pump at Potsdamer Platz for climate-friendly energy supply in Berlin

Innovation center Shenzhen – focus on intelligent energy systems, modern gas turbines and green hydrogen

Reactive Power Compensation – supports CO²-free power supply in California with SVC PLUS technology

Transmission introduced world's first **high-voltage system with integrated edge computing technology**

Q2 FY21 awards & milestones

Cyprus: 50% lower CO₂ emissions in power gen

- Supply of technology and long-term service for Cyfield Mari 260 MW powerplant
- Switch from heavy fuel oil to natural gas



China: Support for decarbonization plans

- Supply of 22 distribution transformers for the first commercial 66kV offshore wind power project in southeast China



Saudi-Arabia: Reliable energy supply for oil and gas infrastructure

- Long-term service agreement for equipment of Saudi Aramco's key oil fields
- Supply of 21 compressor trains for critical gas project



UK: SGRE to deliver most advanced turbine technology

- 100 turbines of the 14 MW class for the Sofia offshore wind project
- First firm order of the flagship SG 14-222 DD turbine



ESG Update – sustainability as integral part of the strategy, positive evaluation of performance

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

- Reduction targets confirmed on a scientific base in line with Paris Agreement
- Siemens Energy aims to be climate neutral in its own operations by 2030
- Gas and Power: CO₂ emissions shall be reduced by 27.5% over the entire usage phase by 2030



Top ranking by ESG-agency Sustainalytics

- 7th place out of 177 companies worldwide (Industry Group „Electrical Equipment“)
- ESG Risk Rating „low“ (lowest risk rating)

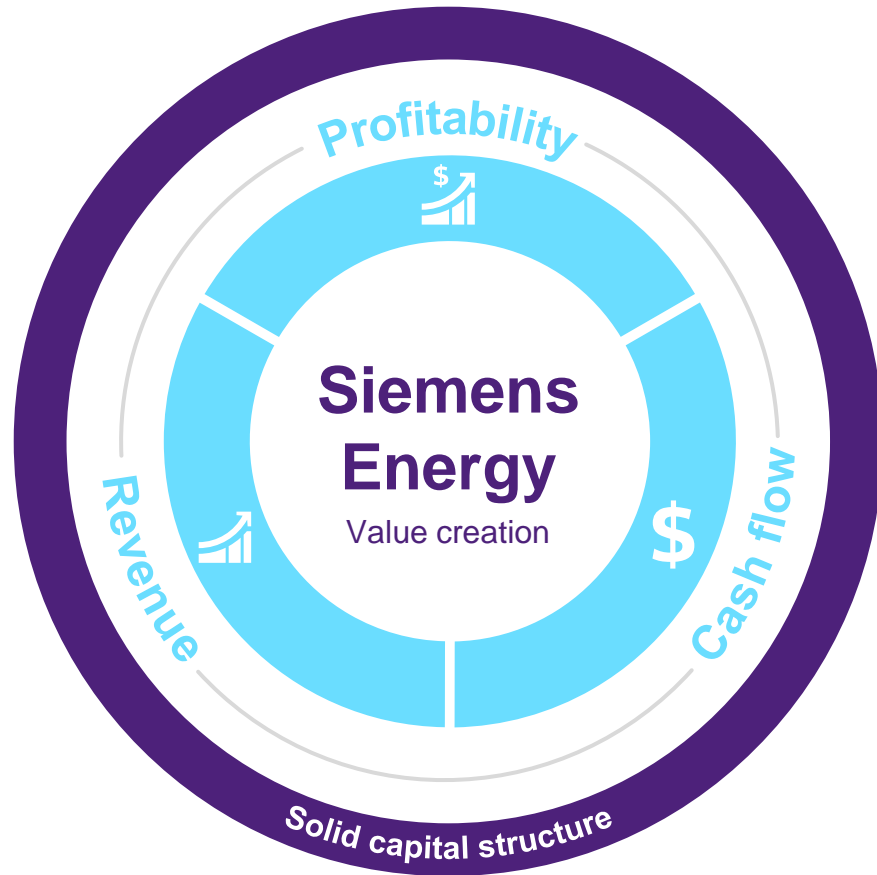


Inclusion in S&P Global Clean Energy Index

Financial section

Maria Ferraro, CFO

Focused on Sustainable Shareholder Value Creation



1

Strong business foundation with large order backlog and resilient service business

2

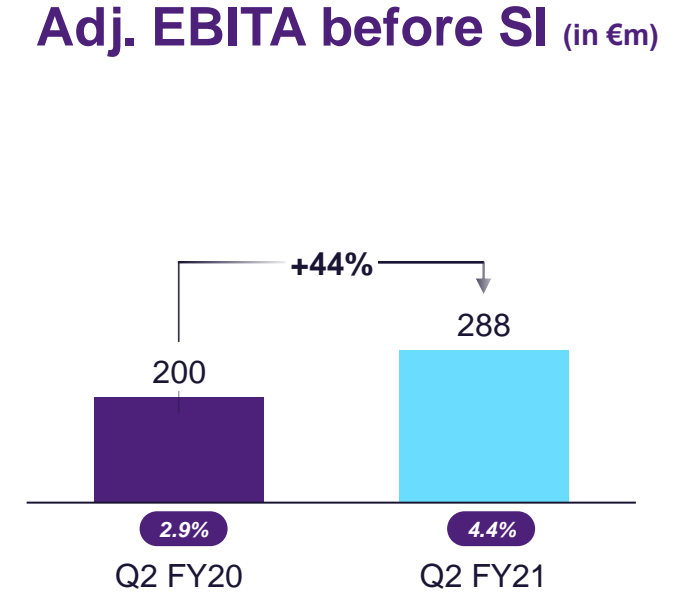
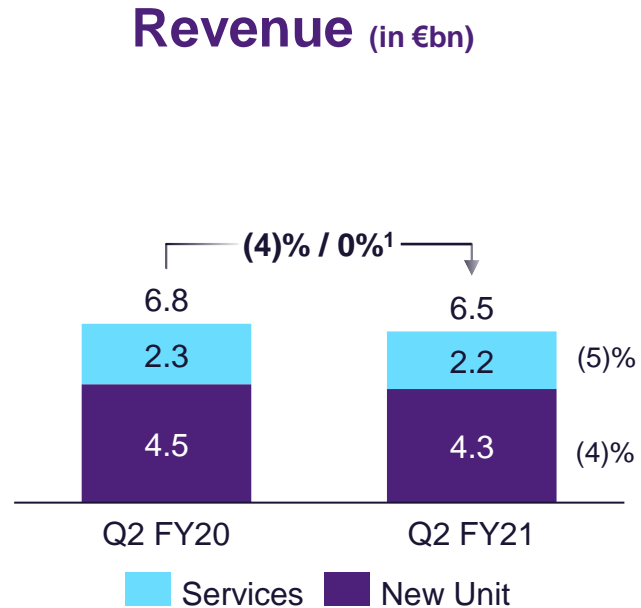
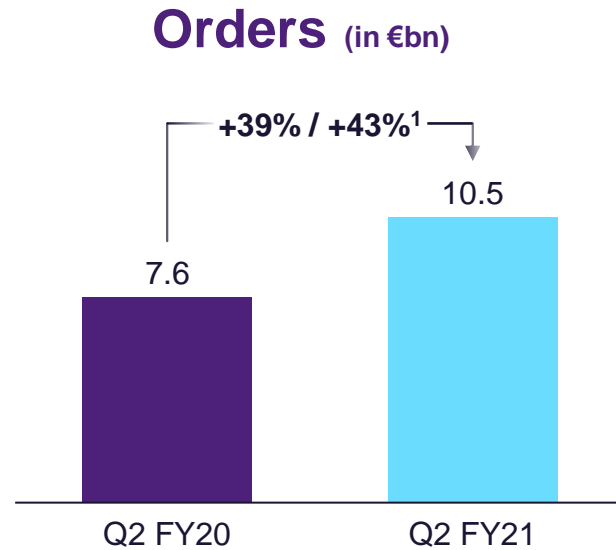
Clear path to margin improvement with ongoing cost programs

3

Asset excellence – Cash upside from rigorous working capital management

Siemens Energy Group at a glance

Q2 FY21



Order Backlog²

€84bn

Q1 FY21: €79bn

Book-to-Bill Ratio

1.6

Q2 FY20: 1.1

Free Cash Flow³

€433m

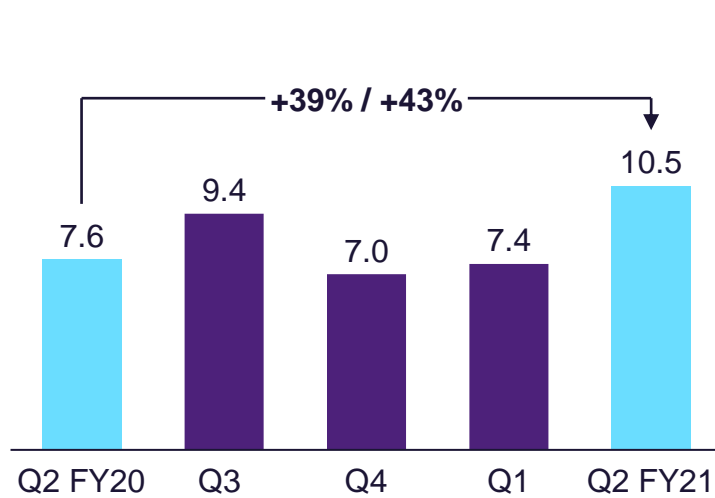
Q2 FY20: €(254)m

¹ xx% / xx% = nominal / comparable (excluding currency translation and portfolio effects) | ² As of March 31, 2021 | ³ Free Cash Flow pre tax

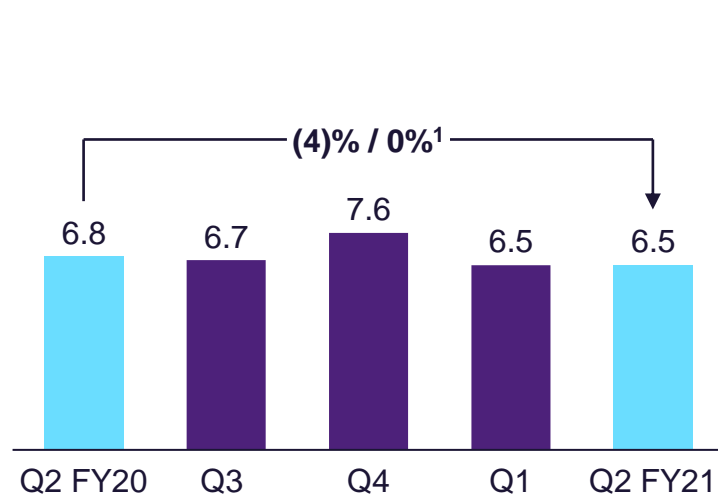
Siemens Energy Group at a glance

Q2 FY21

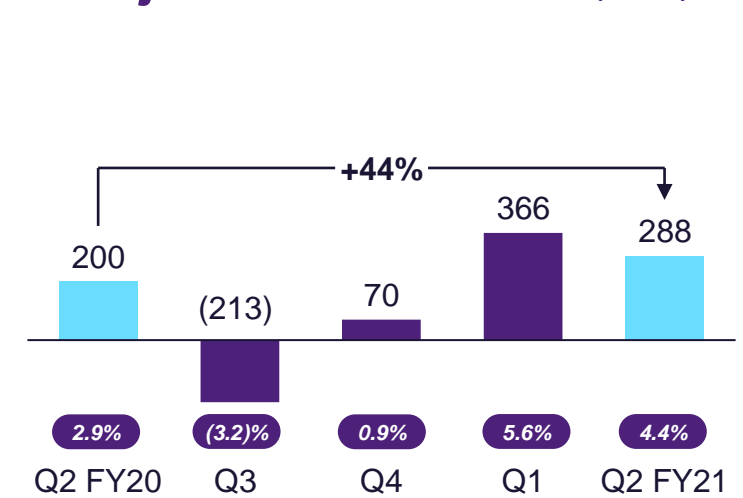
Orders (in €bn)



Revenue (in €bn)



Adj. EBITA before SI (in €m)



- GP: slight y-o-y decline comparable
- SGRE: Sharp increase supported by three large orders worth approximately €2.8bn for offshore wind farms

- GP: clearly down y-o-y compared to a strong prior year quarter
- SGRE: clear revenue increase with service business seeing the highest percentage growth

- GP: Operational improvements compensated for negative volume effects
- SGRE: sharp increase vs prior year quarter, which was impacted by the slowdown of Indian market and execution challenges in the Northern European projects
- Net positive one-time effects in both segments

1 xx% / xx% = nominal / comparable (excluding currency translation and portfolio effects)

2021-05-05

x.x%

Adj. EBITA margin before Special Items

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Special Items

Reconciliation of Adj. EBITA before Special Items

In €m	Q2 FY20	Q2 FY21	H1 FY20	H1 FY21
Gas and Power				
Adj. EBITA before Special Items	199	187	267	454
Personal restructuring	(11)	(47)	(28)	(43)
Stand-alone costs	(14)	(17)	(14)	(71)
Strategic portfolio decisions	-	47	0	20
Special Items	(25)	(18)	(41)	(93)
Adj. EBITA	174	169	225	360
SGRE				
Adj. EBITA before Special Items	22	113	(116)	231
Special Items ¹	(82)	(71)	(110)	(118)
Adj. EBITA	(60)	42	(226)	113
Siemens Energy				
Adj. EBITA before Special Items	200	288	126	654
Special Items	(112)	(91)	(155)	(214)
Adj. EBITA	88	197	(29)	439

¹ equals integration and restructuring cost as reported by SGRE

2021-05-05

Gas and Power

- **Personal Restructuring costs (severance)**
Takes into account further progress on existing programs and new restructuring measures
- **Stand-alone costs**
Reflects costs associated with the setup of the new company
- **Strategic portfolio decisions**
In the course of the silent wind down of the AGT business (FY20) inventory positions which held valuation allowances could be sold above carrying values

Net Income Transition

In €m	Siemens Energy			
	Q2 FY20	Q2 FY21	H1 FY20	H1 FY21
Gas and Power	174	169	225	360
SGRE	(60)	42	(226)	113
<i>Reconciliation to Siemens Energy</i>	(26)	(14)	(29)	(34)
Adj. EBITA	88	197	(29)	439
<i>Adj. EBITA margin</i>	1.3%	3.0%	(0.2)%	3.4%
Amortization of intangible assets acquired in business combinations and goodwill impairments	(122)	(97)	(241)	(194)
Financial result from operations ¹	15	9	15	27
Financial result ²	(43)	(32)	(80)	(69)
Income before income taxes	(61)	77	(335)	203
Income tax (expenses/gains)	(81)	(46)	(2)	(74)
Net income	(142)	31	(337)	130
Attributable to				
Non-controlling interests	(39)	7	(93)	42
Shareholders of Siemens Energy AG ³	(103)	24	(244)	88

¹ Financial result from operations, as subpart of financial result, is included in Adjusted EBITA | ² Financial result = (Interest income - Interest expenses +/- Other financial income (expenses), net). | ³ In Q1 FY20: Siemens Group | ⁴ PPA = Amortization of intangible assets acquired in business combinations
2021-05-05

PPA⁴

Q2 reduction driven reflects lower base due to write-down of intangibles in prior year

Financial result

Impacted by interest expenses and currency effects

Net income

Net income driven by strong performance in GP segment

Cash Flow Statement

In €m	Siemens Energy			
	Q2 FY20	Q2 FY21	H1 FY20	H1 FY21
Net income	(142)	31	(337)	130
Amortization, depreciation and impairments	357	355	680	699
Change in operating net working capital				
Contract assets	(256)	39	43	(167)
Inventories	8	(193)	(532)	(257)
Trade receivables	174	392	95	189
Trade payables	156	172	(246)	(105)
Contract liabilities	(211)	(89)	796	640
Others	(265)	(247)	(585)	(916)
Cash flow from operating activities	(181)	462	(86)	213
Additions to intangible assets and property, plant and equipment	(184)	(201)	(329)	(389)
Free cash flow	(365)	260	(415)	(175)
Income taxes paid	(111)	(172)	(255)	(220)
Free Cash Flow pre tax	(254)	433	(159)	45
thereof Gas and Power	102	481	106	582
thereof SGRE	(326)	(32)	(260)	(392)

CAPEX

- Increase by €17m in Q2 driven by SGRE

Free Cash Flow pre tax

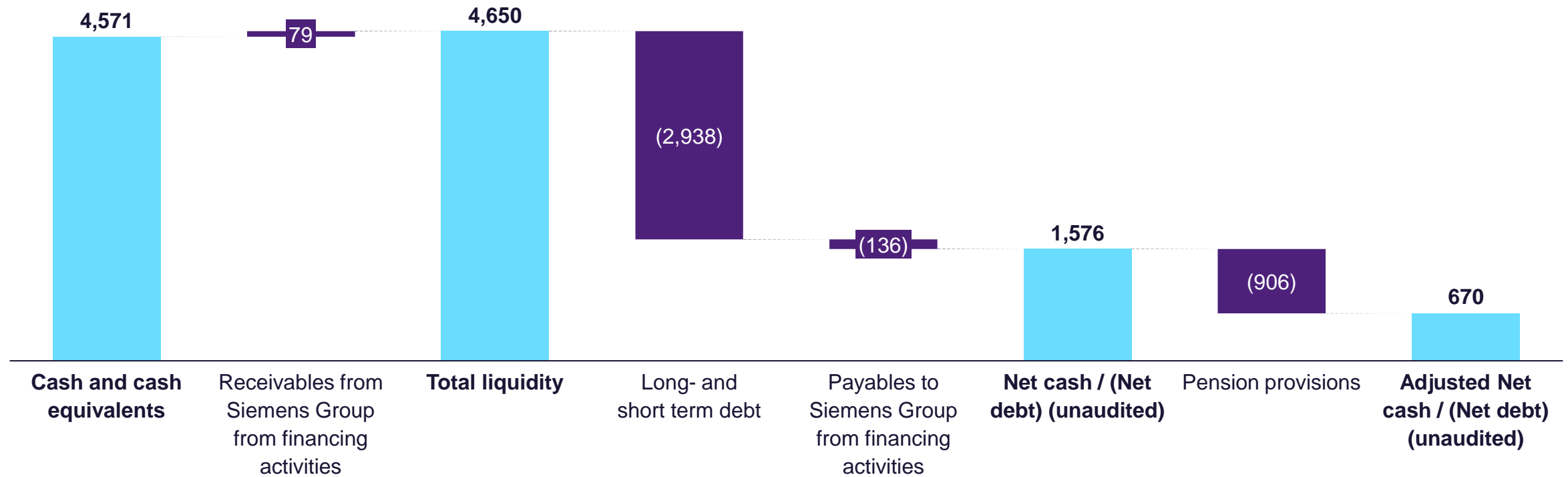
- Sharp improvement y-o-y, with higher contribution from GP
- GP: Sharp y-o-y increase due to higher project-related cash inflows
- SGRE: Improvement mainly supported by stringent asset management

Share buyback finalized

- In total 16,933,496 shares were bought back at an average share price of €23.21
- Total cash outflow: €393m (Q4 FY20 €162m, Q1 FY21 €145m, Q2 FY21 €86m)

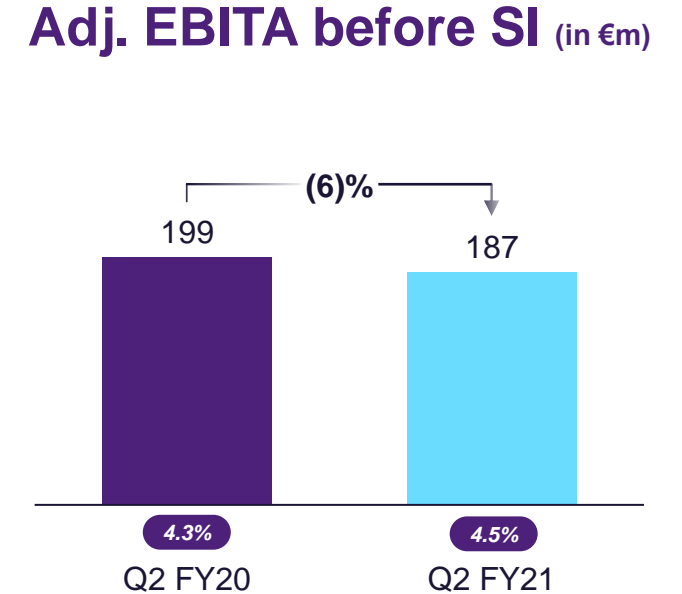
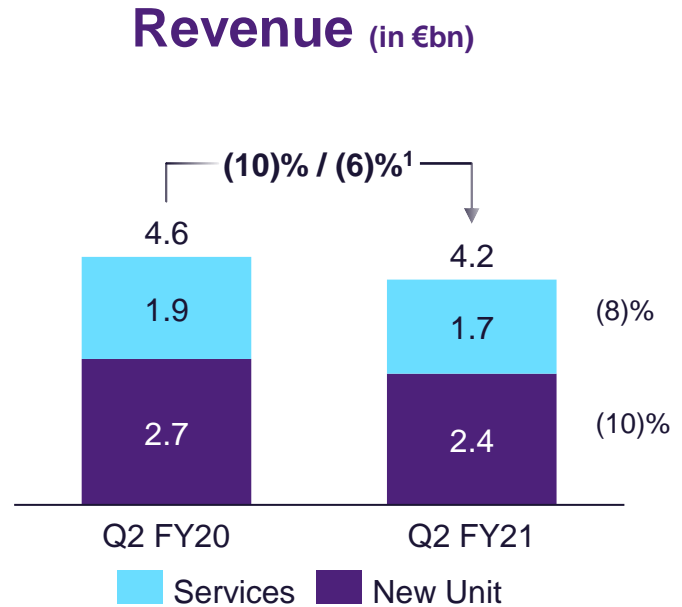
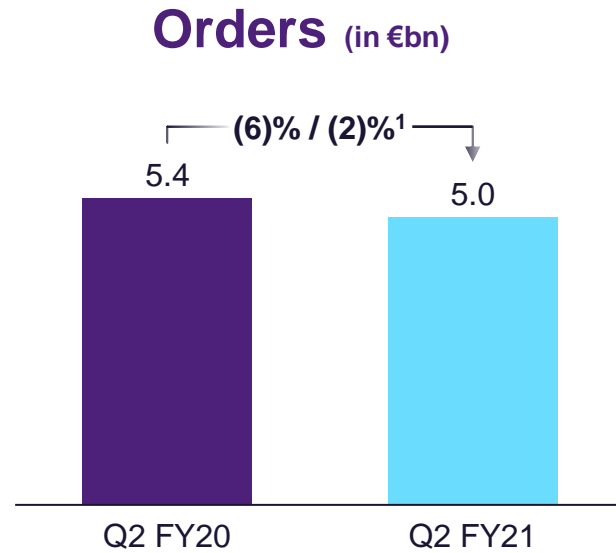
Net Cash Position

Net cash / (Net debt) as of March 31, 2021 (in €m)



Gas and Power at a glance

Q2 FY21



Order Backlog²

€51bn

Q1 FY21: €49bn

Book-to-Bill Ratio

1.2

Q2 FY20: 1.2

Free Cash Flow³

€481m

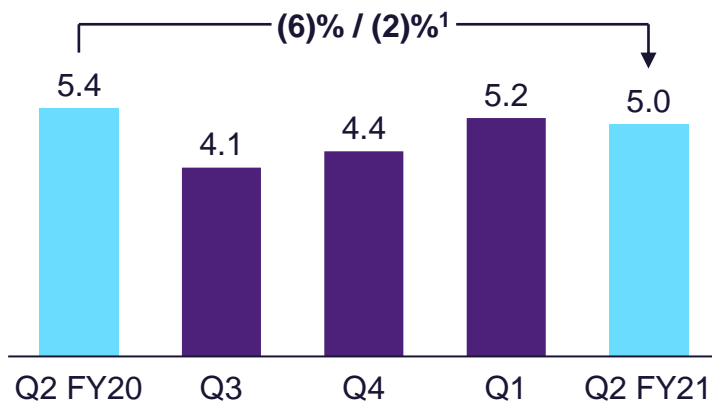
Q2 FY20: €102m

¹ xx% / xx% = nominal / comparable (excluding currency translation and portfolio effects) | ² As of March 31, 2021 | ³ Free Cash Flow pre tax

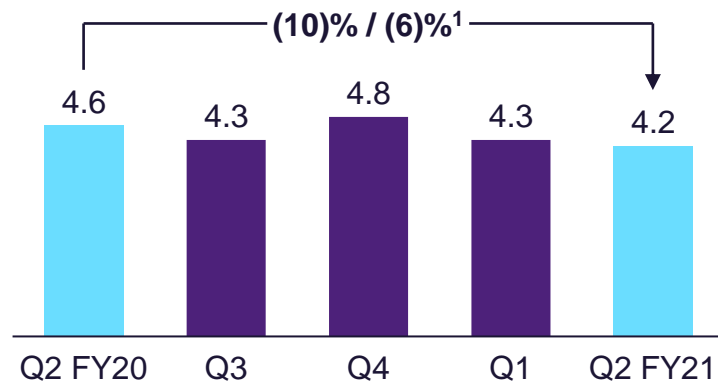
Gas and Power at a glance

Q2 FY21

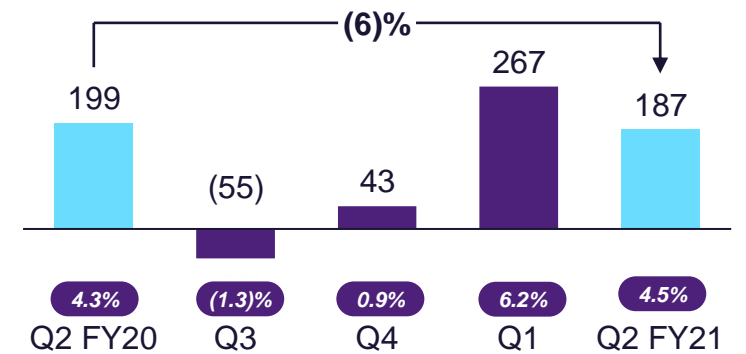
Orders (in €bn)



Revenue (in €bn)



Adj. EBITA before SI (in €m)



- Strong FX headwinds and Covid-19 shifts
- Lower volume from large orders in the EMEA region
- Clear growth in Transmission

- Strong FX headwinds (4.1 percentage points)
- Some minor project delays into next quarters
- Lower revenue compared to strong prior-year quarter
- Service revenue more resilient than new units

- Negative volume effect
- Operational improvements and savings from restructuring measures on track
- Net positive one-time effects from projects and other items

1 xx% / xx% = nominal / comparable (excluding currency translation and portfolio effects)

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x.x%

Adj. EBITA margin before Special Items

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Outlook

Accelerating impact

Covid-19

FY21 Key Messages

Revenue guidance narrowed to 3 - 8% (prev. 2% - 12%)

Margin guidance of 3% - 5% confirmed

This guidance continues to assume limited financial impact from COVID-19 during fiscal year 2021

Continuing to execute

We continue to support our customers whilst making sure our employees and partners stay safe

Financial outlook and framework – Narrowing of revenue guidance range

		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% (prev. 2%-11%)		
	% Growth y-o-y ²	(1.4)%	(3.1)%				
	Adj. EBITA before Special Items	€836m	€254m	0%-2% ✓	3.5%-5.5%	6%-8%	
	% Margin before Special Items	4.5%	1.4%				
	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% (prev. 2%-12%)		Flat to 3% ¹
	% Growth y-o-y ²	2.8%	(4.7)%				
	Adj. EBITA before Special Items	€1,517m	(€17)m	(1)%-1% ✓	3%-5%	6.5%-8.5%	≥8% Margin reported ⁴
	% Margin before Special Items	5.3%	(0.1)%				
	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



We are #TeamPurple #WeEnergizeSociety



Questions & Answers

Christian Bruch and Maria Ferraro



2021

May 5

June/July

Aug 4

Nov 10

Q2 FY21

ESG conferences
and roadshows

Q3 FY21

Q4 FY21

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



Thomas Forstner-Sonne

thomas.forstner@siemens-energy.com
+49 172 7497108



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

Nominal vs comparable growth rates

In €m	Siemens Energy							
	Q2 FY20	Q2 FY21	% nom.	% comp. ¹	H1 FY20	H1 FY21	% nom.	% comp. ¹
Gas and Power	5,374	5,030	(6.4)	(1.8)	10,808	10,195	(5.7)	(0.7)
SGRE	2,203	5,500	149.7	153.4	6,830	7,781	13.9	17.9
Reconciliation to Siemens Energy	(11)	(10)			(43)	(25)		
Total Orders	7,566	10,520	39.0	43.4	17,596	17,951	2.0	6.6
Gas and Power	4,615	4,167	(9.7)	(5.6)	9,035	8,459	(6.4)	(1.6)
SGRE	2,204	2,336	6.0	10.5	4,204	4,631	10.1	14.5
Reconciliation to Siemens Energy	(39)	(19)			(86)	(66)		
Total Revenue	6,780	6,484	(4.4)	(0.1)	13,152	13,024	(1.0)	3.7

¹ Comparable: excluding currency translation and portfolio effects

Disaggregation of external revenue

Siemens Energy

In €m	Q2 FY20	Q2 FY21	% change	H1 FY20	H1 FY21	% change
Types of activities in Gas and Power						
New units	2,677	2,404	(10.2)	5,227	4,904	(6.2)
Service contracts	1,895	1,738	(8.3)	3,714	3,484	(6.2)
Types of business in SGRE						
Wind turbines	1,808	1,902	5.2	3,442	3,801	10.4
Operation and maintenance	395	434	9.9	762	830	8.9
Types of business in Gas and Power						
Transmission	1,318	1,241	(5.4)	2,699	2,491	(7.7)
Generation	1,928	1,776	(7.9)	3,703	3,623	(2.2)
Industrial applications	1,325	1,125	(15.1)	2,538	2,267	(10.7)
Other /Consolidation	1	1		1	6	

Note: Q2 and half-year figures presented on this slide are based on external revenue

Gas and Power: Development by businesses

Q2 FY21

in % y-o-y	Gas and Power	Generation	Industrial Applications	Transmission	<i>Grading system</i>	
Order growth	- -	- -	- - -	+ +	>10%	+++
					5% - 10%	++
					0% - 5%	+
Revenue growth	- -	- -	- - -	- -	0% - (5)%	-
					(5)% - (10)%	--
					> (10)%	---

Profit and Loss Statement (I)

In €m	Siemens Energy			
	Q2 FY20	Q2 FY21	H1 FY20	H1 FY21
Revenue	6,780	6,484	13,152	13,024
Cost of sales	(5,883)	(5,471)	(11,606)	(11,009)
Gross profit	897	1,013	1,547	2,015
<i>Gross profit margin</i>	13.2%	15.6%	11.8%	15.5%
Research and development expenses	(238)	(289)	(447)	(525)
<i>R&D as percentage of revenue</i>	(3.5)%	(4.5)%	(3.4)%	(4.0)%
Selling and general administrative expenses	(684)	(629)	(1,388)	(1,262)
<i>SG&A as percentage of revenue</i>	(10.1)%	(9.7)%	(10.6)%	(9.7)%
Other operating income	10	17	41	51
Other operating expenses	(7)	(28)	(19)	(38)
Income (loss) from investments accounted for using the equity method, net	3	24	12	30
Interest income	8	6	25	13
Interest expenses	(43)	(30)	(96)	(61)
Other financial income (expenses), net	(7)	(7)	(9)	(21)
Income (loss) before income taxes	(61)	77	(335)	203
Income tax (expenses/gains)	(81)	(46)	(2)	(74)
Net income (loss)	(142)	31	(337)	130
Attributable to				
Non-controlling interests	(39)	7	(93)	42
Shareholders of Siemens Energy AG ¹	(103)	24	(244)	88

Profit and Loss Statement (II)

In €m	Siemens Energy			
	Q2 FY20	Q2 FY21	H1 FY20	H1 FY21
Gas and Power	4,615	4,167	9,035	8,459
SGRE	2,204	2,336	4,204	4,631
Reconciliation to Siemens Energy	(39)	(19)	(86)	(66)
Total Revenue	6,780	6,484	13,152	13,024
Gas and Power	199	187	267	454
SGRE	22	113	(116)	231
Reconciliation to Siemens Energy	(21)	(12)	(24)	(31)
Adj. EBITA before Special Items	200	288	126	654
<i>Adj. EBITA margin before Special Items</i>	2.9%	4.4%	1.0%	5.0%
Gas and Power	(25)	(18)	(41)	(93)
SGRE	(82)	(71)	(110)	(118)
Reconciliation to Siemens Energy	(5)	(2)	(5)	(3)
Special Items	(112)	(91)	(155)	(214)

Statement of Financial Position

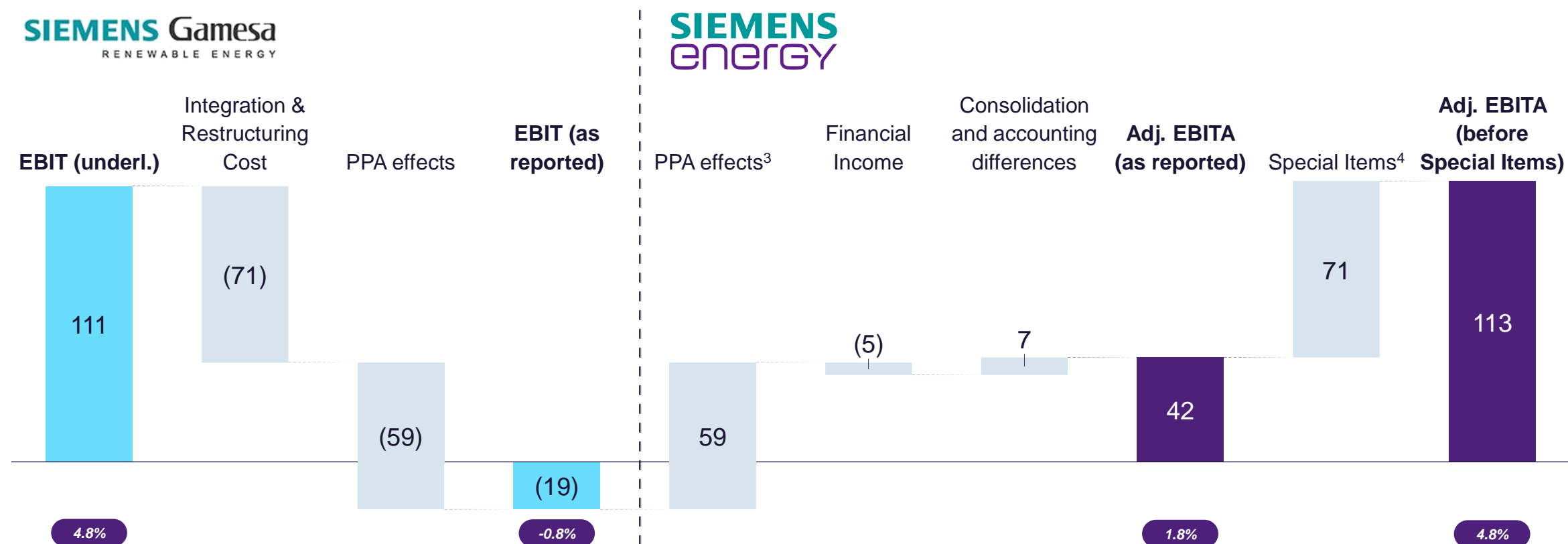
In €m	Siemens Energy	
	Sep. 30, 2020	Mar. 31, 2021
Goodwill and other intangible assets	13,215	13,161
Property, plant and equipment and other non-current assets	7,268	7,472
Inventories	6,527	6,851
Trade and other receivables	4,963	4,879
Contract assets	4,545	4,763
Cash and cash equivalents	4,630	4,571
Other current assets	1,883	1,987
Total assets	43,032	43,686
Total equity attributable to shareholders of Siemens Energy AG ¹	14,942	15,323
Non-controlling interests	448	430
Total equity	15,390	15,753
Provision for pensions and similar obligations	1,057	906
Long term and short term debt	2,391	2,938
Trade payables	5,127	5,083
Contract liabilities	9,853	10,611
Other current and non-current liabilities	9,214	8,396
Total liabilities	27,642	27,934
Total equity and liabilities	43,032	43,686
Adjusted net cash / (net debt) (unaudited)	1,309	670

¹ In fiscal year 2020: Siemens Group.
2021-05-05

Profit Bridge from SGRE to SE disclosure

Q2 FY21

Profit Bridge from SGRE¹ to SE² disclosure (in €m)



1 Disclosure (as of April 30, 2021) | 2 Disclosure (as of May 5, 2021) | 3 PPA = Amortization of intangible assets acquired in business combinations

4 Equals integration and restructuring cost as reported by SGRE

Framework for value creation

Performance

✓ Covered in incentive framework

6.5-8.5% ✓

Adj. EBITA margin before
Special Items
Siemens Energy
FY23 target

≥8% ✓

Adj. EBITA margin
Siemens Energy
mid-term target¹

Flat to 3%

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



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