Shareholder Letter Capital Market Day

Siemens Energy Investor Relations

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May 24, 2022, we hosted our Capital Market Day (CMD) in Berlin. At the Schaltwerk site, management explained the dynamics of the energy transition and how we intend to leverage our strengths in the new company set up to become the most valued integrated energy technology company. While some investors and analysts were there in person, more than 1,000 participants followed the event via the Internet. The recording of the CMD is available here. The agenda and presentations can be found here.

The day before the actual CMD, analysts and investors had the opportunity to visit the Siemens Energy gas turbine plant at Huttenstrasse in Berlin to get insights into the production and servicing of gas turbines, the future production of electrolyzers and our additive manufacturing capabilities.

Afterwards our visitors had the opportunity to get to know management personally during a dinner event at the Wasserwerk.







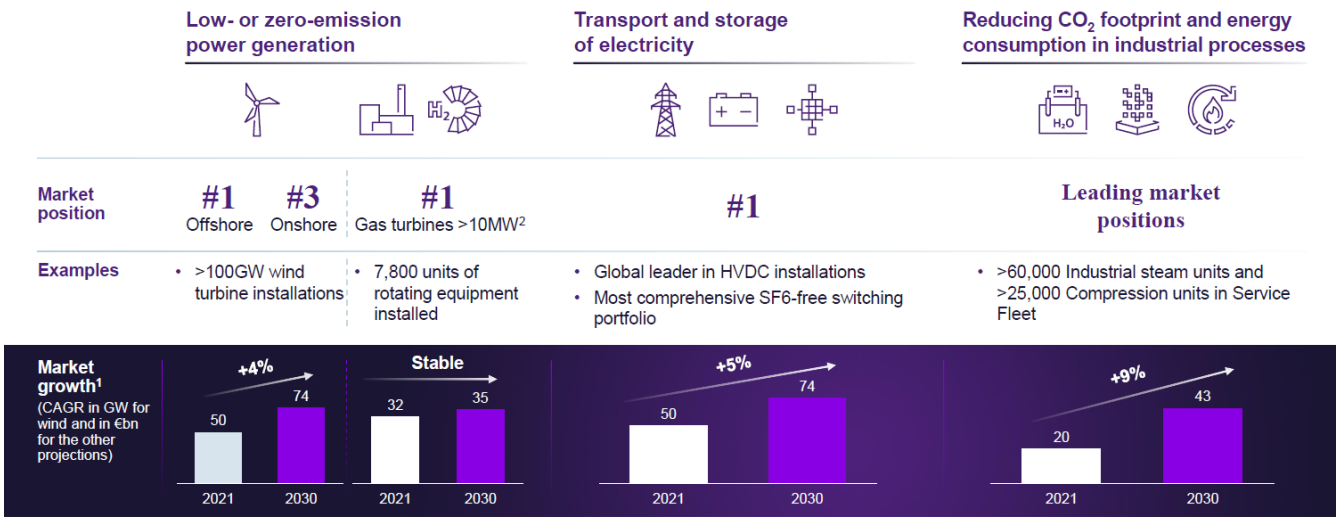




At the CMD, management presented its goal to build an integrated energy technology company with a clear focus on ESG which supports customers as they make their transition toward greater sustainability, while delivering reliable returns for investors. **ESG is a business opportunity for Siemens Energy:**

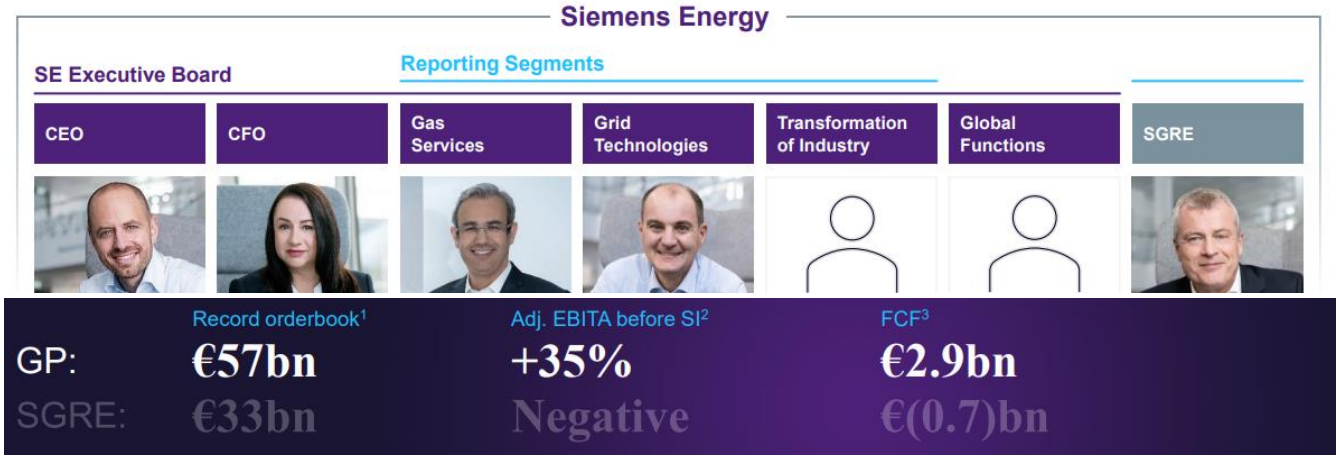


In order to be able to do this, Siemens Energy will rely on *three main pillars*: **low-emission or zero-emission power generation, transport and storage of electricity, and reducing the CO_2 footprint and energy consumption in industrial processes.**



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

A new aspect will be the **greater transparency in our corporate structure**: starting in fiscal year 2023, the former Divisions will be repositioned as Business Areas, whose key financial figures will be reported quarterly. This will increase transparency for the capital market significantly.



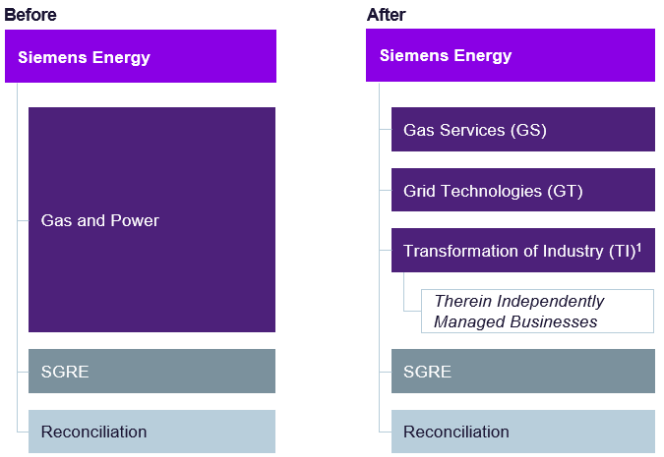
1 Order backlog as end of March FY22 **|** **2** Adj. EBITA before SI LTM vs. 12 month before spin **|** **3** FCF before tax cumulative since spin-off (April 1, 2020)

In addition, **a new organizational structure will significantly reduce complexity, create flatter hierarchies, shorten decision-making processes, and strengthen individual employees' sense of personal responsibility. Hierarchies will be reduced substantially within Siemens Energy.** The leaner structures are designed to significantly speed up decision-making processes. **A total of ~30% of the previous management positions will be eliminated.**

Areas that have involved as many as eleven levels of hierarchy up until now will have no more than six. There are no layoffs planned as a result of the new organizational structure. The aim of these steps is to bring the business closer to the customer, to reinforce individual units' own sense of responsibility, and to eliminate complex approval processes.

The graphic on the right shows the new reporting structure and divides the Gas and Power business segment into three Business Areas in the future. Gas Services, Grid Technologies, Transformation of Industry and SGRE. In addition, four Independently Managed Businesses will be reported separately within Transformation of Industry.

Reporting structure



1 Transformation of Industry reflecting total of four Independently Managed Businesses (operating segments)

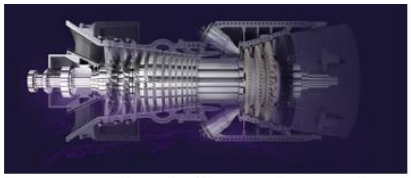
Regular Reporting	Orders	Order Backlog	Revenue	Adj. EBITA	Adj. EBITA before SI	FCF pre tax	EBITDA	New Unit/ Service Split[1]
Siemens Energy	●	●	●	●	●	●	●	●
GS	●	●	●	●	●	●	●	●
GT	●	●	●	●	●	●	●	●
TI	●	●	●	●	●	●	●	●
SES[2]	●		●		●			
E-A-D[3]	●		●		●			
IST[4]	●		●		●			
CP[5]	●		●		●			
SGRE	●	●	●	●	●	●	●	●

1 Based on external revenues **| 2** Sustainable Energy Systems **| 3** Electrification, Automation, Digitalization **| 4** Industrial Steam Turbines & Generators **| 5** Compression

New Business Areas

In the future reporting structure, revenue and earnings viewed retrospectively for fiscal year 2021 (rounded, and on a pro-forma basis) would look as follows:

Gas Services, with approximate **revenues of €9bn and adjusted EBITA before special items of 7%** will comprise **all business operations relating to gas turbines and large steam turbines, including the associated servicing business**.



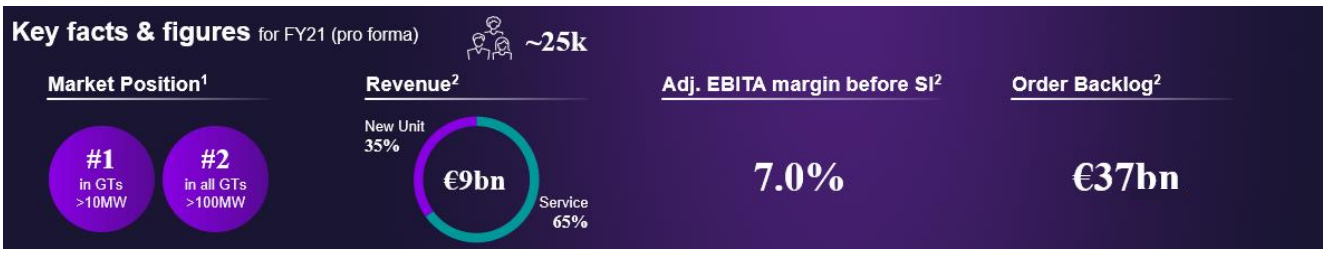
Large gas, steam turbines and generators
100MW – 600MW



Industrial gas turbines & electric heat pumps
4MW – 100MW



Modernization, decarbonization & digitalization of all fleet



1 In Power Generation applications for 1H FY22 | **2** FY21 pro-forma restated figures reflecting new reporting structure, partially approximated. The pro-forma revenue and order backlog numbers are rounded to the nearest 50 million and the profitability number to the nearest half percentage point.

Grid Technologies, covering the former Transmission business and all future operations relating to energy storage, would have had **revenue of €5.8bn and an adjusted EBITA before special items of 6.5%.**

We enable a reliable, sustainable and digital grid

- **HVDC efficient** transmission
- **Sustainable** switchgears and transformers
- Grid **stabilization and storage**
- Grid **automation & digitalization**

Being the backbone of the energy transition

- We **enable a resilient** transmission network
- We **commit to a decarbonized transmission grid**
- We **efficiently connect renewable power** to the grid
- We help **manage an increasingly complex grid**



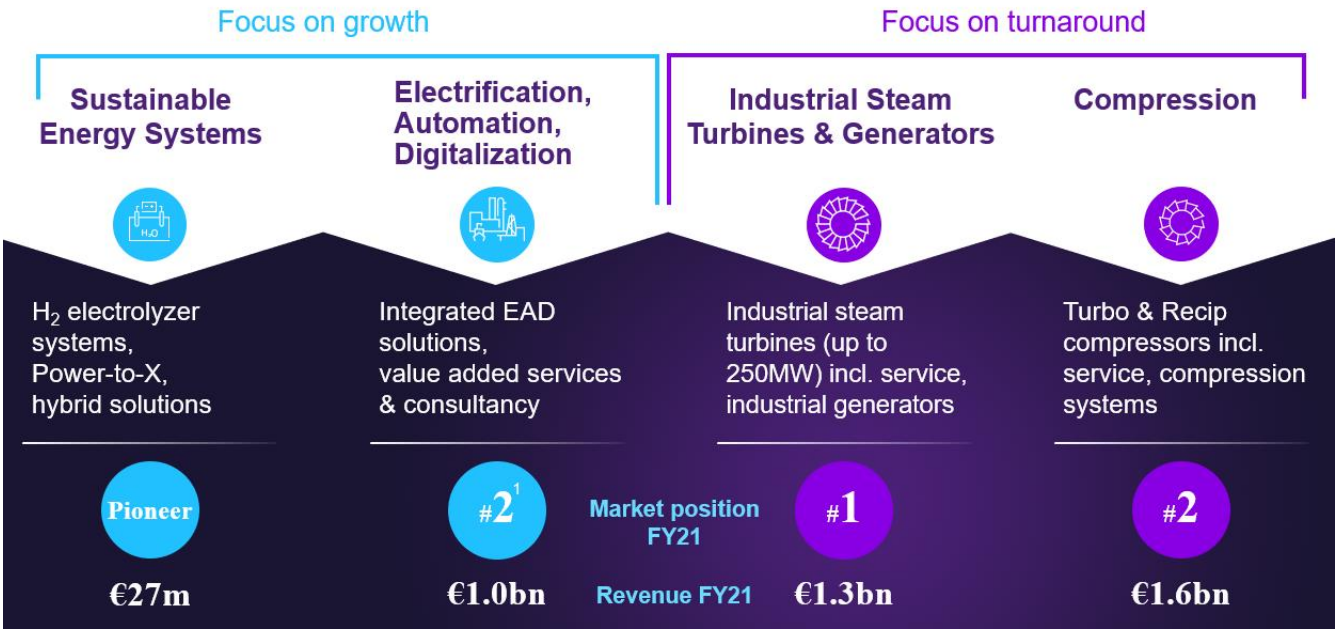
1 Market position related to addressed market according to SE internal assessment for FY21, based on order intake in € | **2** Switching products #1 in the market, Transformer and components #2 in the market | **3** FY21 pro-forma restated figures reflecting new reporting structure, partially approximated. The pro-forma revenue and order backlog numbers are rounded to the nearest 50 million and the profitability number to the nearest half percentage point.

Transformation of Industry focuses mainly on **reducing energy consumption and CO2 emissions in industrial processes,** will include four business operations:

1) **Sustainable Energy Systems** (including hydrogen, electrolyzers, Power-to-X, photovoltaics);
2) **Electrification, Automation, Digitalization** (EAD, formerly under Industrial Applications);
3) **Industrial Steam Turbines & Generators** (IST, including industrial steam turbines up to 250MW and their servicing, as well as industrial generators); and
4) **Compression** (CP, turbo and reciprocating compressors and their servicing; formerly a part of Industrial Applications).

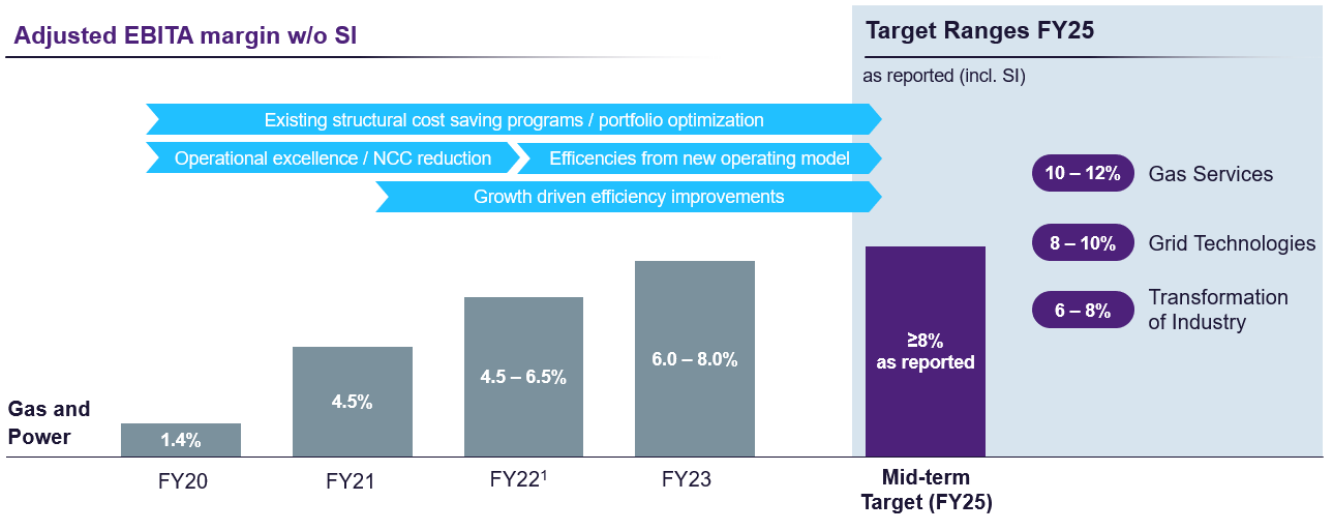
As a single organizational unit, **these business operations would have had revenue of €3.9bn in fiscal year 2021. The adjusted EBITA margin before special items would have been -2.5%.** This additional transparency is intended to provide the capital market with a way of assessing the development of these businesses better in the future.

At Transformation of Industry, there are four complementary businesses addressing industrial needs:



1 In respective solution scope in core verticals.

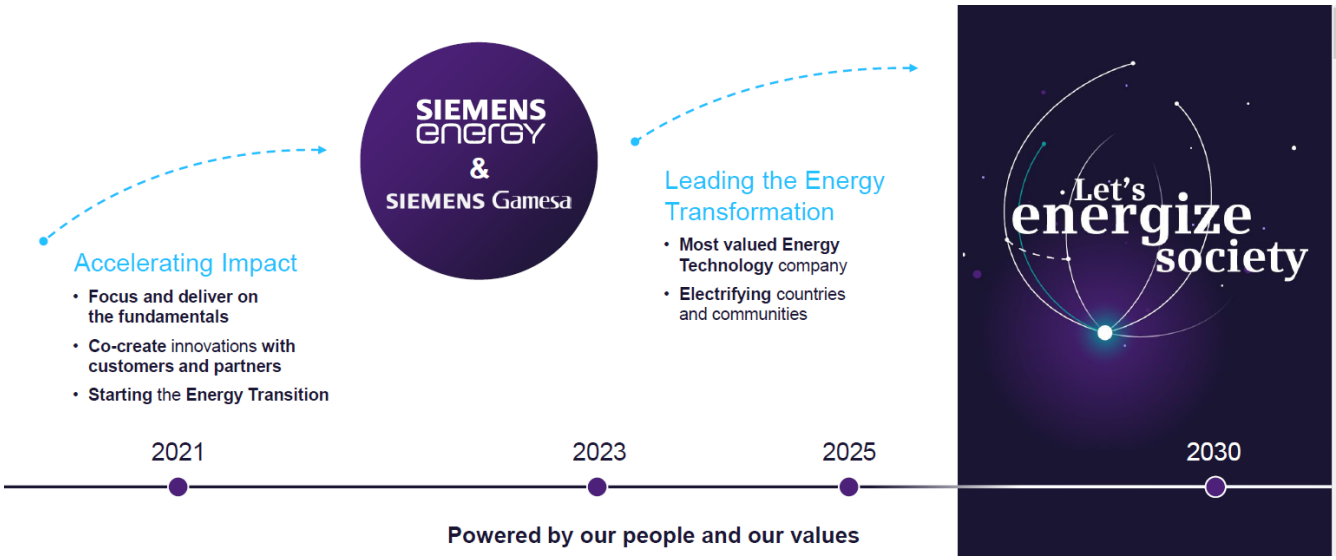
The targets of the new business areas for fiscal year 2025 clearly support the original Gas and Power margin target of ≥8% (as reported):



1 With the Q2 earnings release (May 11, 2022), Siemens Energy maintained the guidance range for the GP segment in fiscal year 2022. However, in light or prevailing challenges Siemens Energy expects results in GP towards the low end of the range.

Integration of SGRE reinforces position as leading integrated energy technology company

Another key next step in the transformation to a leading energy technology company with a clear focus on sustainability is the **integration of Siemens Gamesa Renewable Energy (SGRE).**



Siemens Energy recently announced it would acquire the remaining 33% that is still in free float. The aim is to delist SGRE and fully integrate it. The transaction is expected to close during the second half of the year 2022. That will allow SGRE to actively address the current challenges that several profit warnings have induced. By integrating SGRE, Siemens Energy will strengthen its position, creating a holistic, go-to-market approach further enhancing customer focus.

The wind power market is one of the fields that currently has the most attractive growth potential. Siemens Energy is also **excellently positioned beyond renewables** because the energy transition is taking place at different speeds around the world, and that requires different solutions. **As an integrated energy technology company, Siemens Energy is positioned to meet all of its customers' needs across the entire value chain.**



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

Financial Calendar

Jun 10, 2022	J.P. Morgan European Capital Goods Conference
Aug 8, 2022	Q3 FY2022
Nov 16, 2022	Q4 2022

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