

# BNP Paribas Exane Transforming Industrials, Materials and Energy Conference

Christian Bruch, President and CEO Siemens Energy  
London, March 2025



# Siemens Energy

## Our purpose



**We energize society**

## Our mission



**Supporting our customers in transitioning to a more sustainable world, based on our innovative technologies and our ability to turn ideas into reality**

## Our vision



**To become the most valued energy technology company in the world**

**~1/6**

of global electricity generation is based on our technology

**100k**

employees work as one team to energize society<sup>1</sup>

**€34.5bn**

revenues in FY24

**>90**

countries (presence)

**>€1bn**

annual investment in research and development

<sup>1</sup> Number of employees as of Dec. 31, 2024

# Siemens Energy has the right portfolio to build the future energy infrastructure...

## Gas Services

€10.8bn  
revenue<sup>1</sup>

- Affordable energy
- Low carbon power generation
- Base & peak loading

## Grid Technologies

€9.3bn  
revenue<sup>1</sup>

- Transport of electricity
- Energy security
- Grid resilience

## Siemens Gamesa

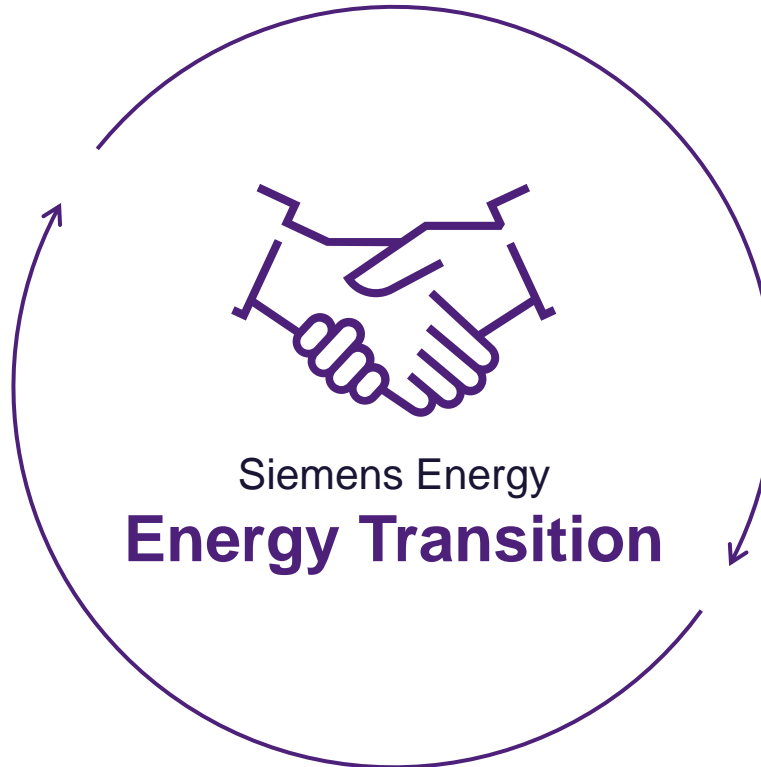
€10.0bn  
revenue<sup>1</sup>

- Zero emission power generation
- Utility scale

## Transformation of Industry

€5.1bn  
revenue<sup>1</sup>

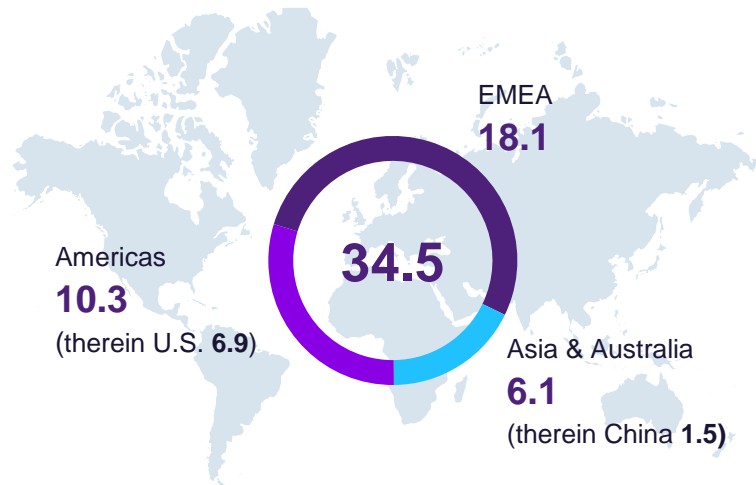
- Electrification and decarbonization of industrial processes



# ... serving a broad, global customer base...

## Regional revenue distribution

(in €bn)<sup>1</sup>



## Revenue



## Profit margin before SI



<sup>1</sup> Location of customer | <sup>2</sup> Comparable revenue growth: Excluding currency translation and portfolio effects | <sup>3</sup> Profit margin 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

# ... and creating value for its shareholders built on its strong positioning in attractive markets and a resilient business model

## Shareholder Value

### Attractive markets

#### Resilient & growing

Electricity demand to double by 2050

Ageing infrastructure drives replacement demand

#### High entry barriers

Complex projects require long-term experience

#### Customer relationship driven

Long-lasting relationships are key over lifetime of product

References for critical infrastructure are important

### Resilient business model

#### Backlog quality and revenue visibility

€131bn<sup>1</sup> backlog with rising margins

#### High service revenue share

€12.2bn revenue in FY24

GS ~ 65%

STG > 50%

CP > 40%

SG ~ 25%

### Strong positioning

#### Leading technologies

Most powerful HL-class gas turbine

Control & safety systems

Direct drive offshore turbines

Completely SF6-free switchgears

#### Leading market positions

#2 in Gas Turbines

#1 in Offshore Wind

#1 in Grid Solutions

#2 in Grid Products

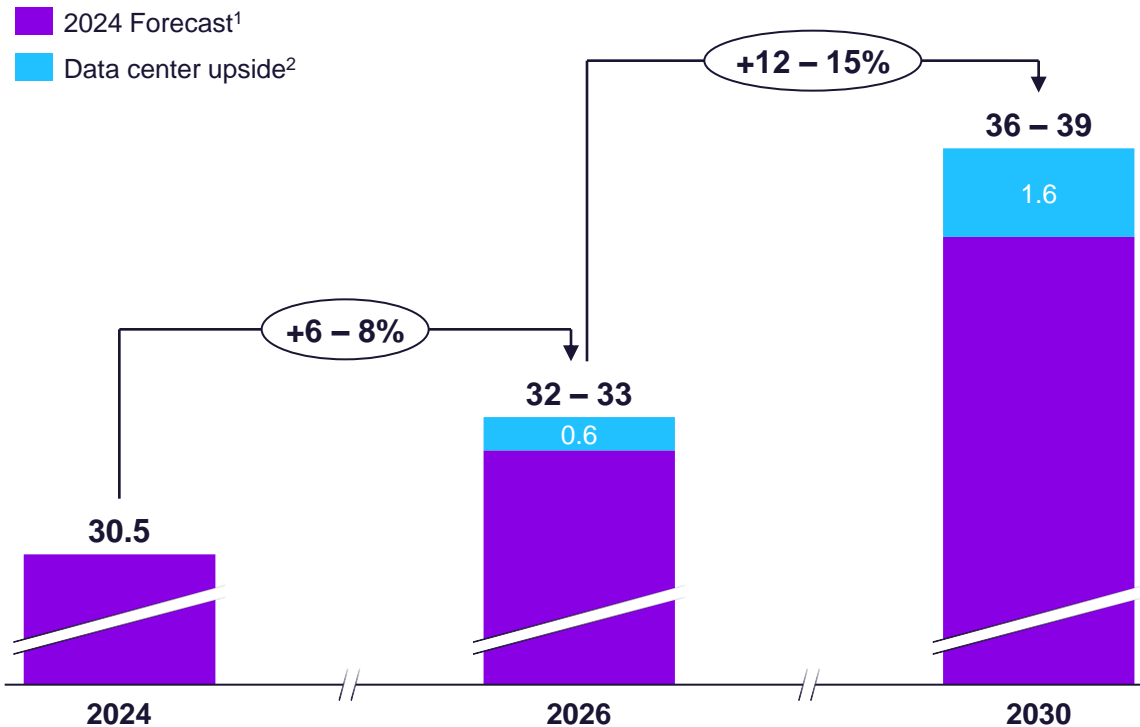
#1 or #2 in all TI-businesses

#### Global market presence

>90 countries

# We operate in fast growing ...

## Global electricity demand in 1,000 TWh



## Electricity demand

- Increasing population and living standards
- Shift to electrification (CAGR 2024-2040: 2.7%)
- Upside from Data Centers up to 4% of global demand in 2030

## Transformation of power generation system

- Due to increasing share of renewables even faster growth in installed capacity – doubling by 2040
- Coal to gas shift
- Nuclear renaissance

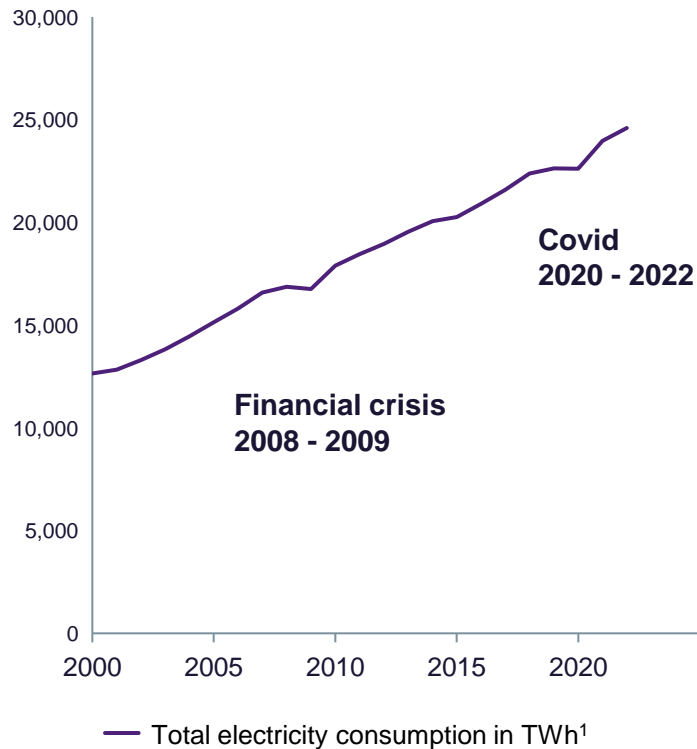
## Grid infrastructure

- Integration of additional capacity and need for interconnection drives double digit growth
- Ageing infrastructure in advanced economies needs to be replaced
- Investment in digital solutions to use assets effectively

1 Source: S&P Global Commodity Insights, ©2024 by S&P Global Inc. Usage permitted for Siemens Energy Global GmbH & Co. KG for the Q4 FY24 Analyst Conference Call on November 13, 2024. Duplication and distribution outside the scope described is only permitted with the prior written consent of S&P Global Commodity Insights | 2 Data Center demand: based on SE internal estimates

# ... and resilient markets

## Resilient & growing



## High market entry barriers



## Customer relations driven

“We are incredibly pleased that with Siemens Energy we get a long-term, strategic partnership, thus ensuring that we can keep up with the dramatic development in Denmark.”

– Henrik Riis, CEO of Energinet Electricity Transmission

“I am delighted that we are also working with Siemens Energy on hydrogen, as the company is already a long-standing partner for EWE in all aspects of our energy infrastructure.”

– Stefan Dohler, CEO of EWE

High development cost and long product cycles

<sup>1</sup> Source: IEA (2024): World Energy Balances (database)

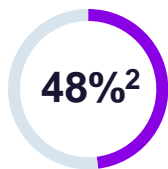
# Resilient business model

## Backlog quality & revenue visibility

Record order backlog of **€131bn<sup>1</sup>**

**4 years** reach

**Rising** backlog margins



**Resilient service share**



**Revenue coverage FY25**

Demand driven by growth in electricity consumption and replacement/shift to renewables

## High service share

**€12.2bn** in service revenue

**~ 65%** share of GS revenue

**> 50%** share of STG revenue

**> 40%** share of CP revenue

**~ 25%** share of SG revenue

## Sustainability/ESG focus

**Sustainable products – ambitious scope 3 targets:**

Downstream emissions -28% by 2030  
Upstream emission intensity -30% by 2030

**Women in top leadership positions**

30% by 2030

## ESG Ratings<sup>4</sup>

#3 of 299 SUSTAINALYTICS	B- prime ISS ESG
BBB MSCI	Rating 3.7 FTSE Russell
Gold (75/100) ecovadis	A CDP

<sup>1</sup> as of Dec. 31, 2024 | <sup>2</sup> Service Share in backlog FY24 | <sup>3</sup> Share of revenue from existing backlog | <sup>4</sup> as of March 18, 2025

# Strong competitive positioning

## Leading technology



Most powerful gas turbine



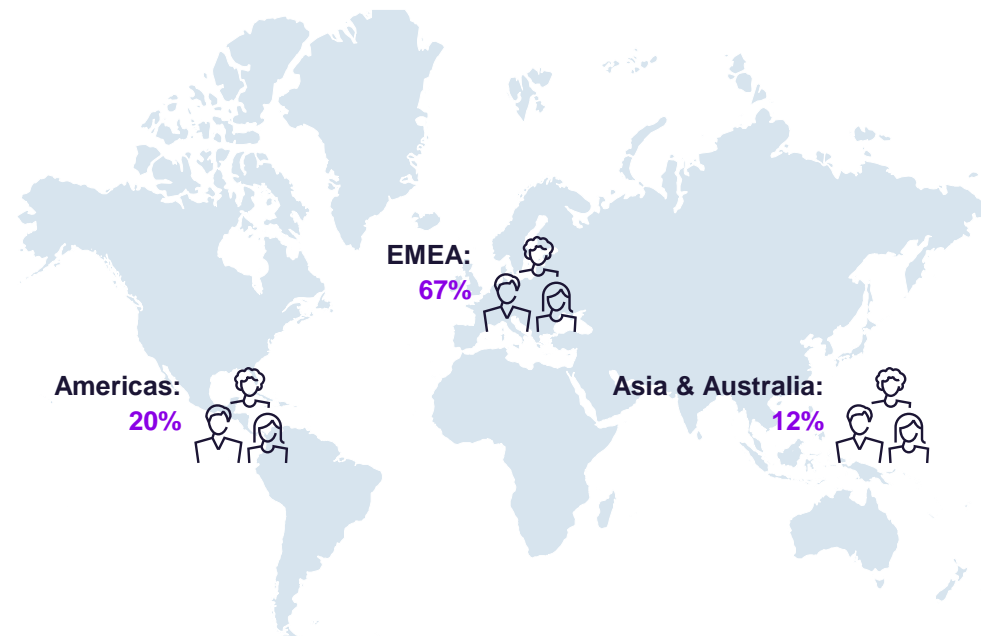
Direct-drive offshore turbines



Completely SF6-free AIS and GIS

## Global market presence

100k employees in >90 countries<sup>1</sup>



## References

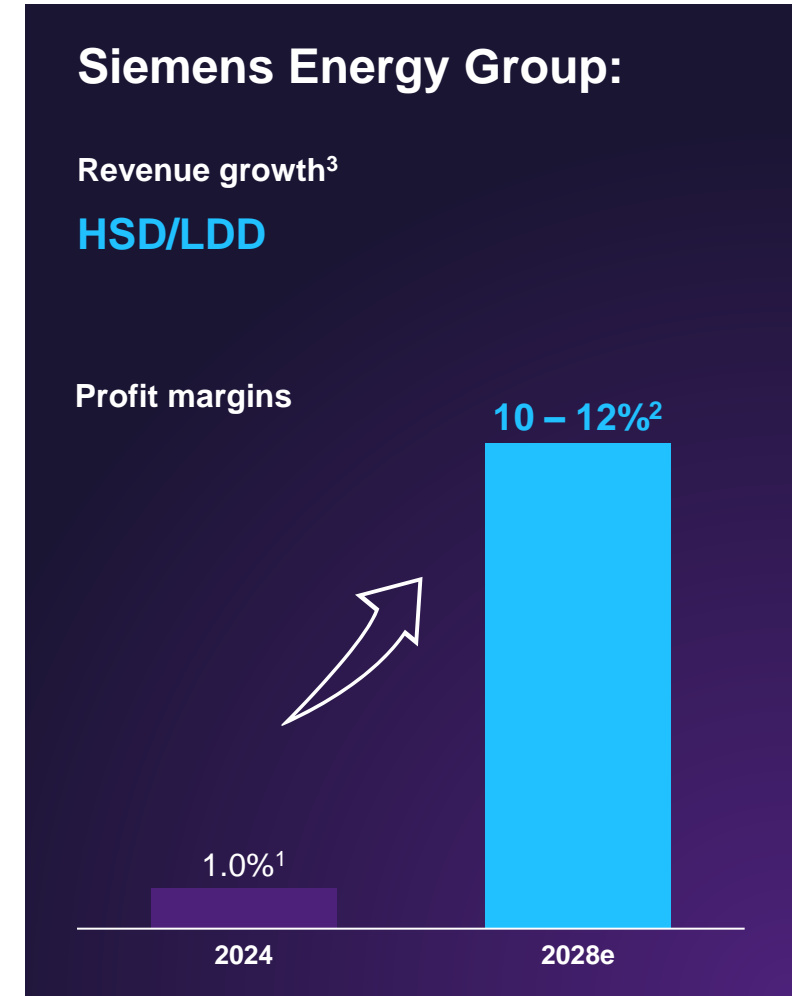
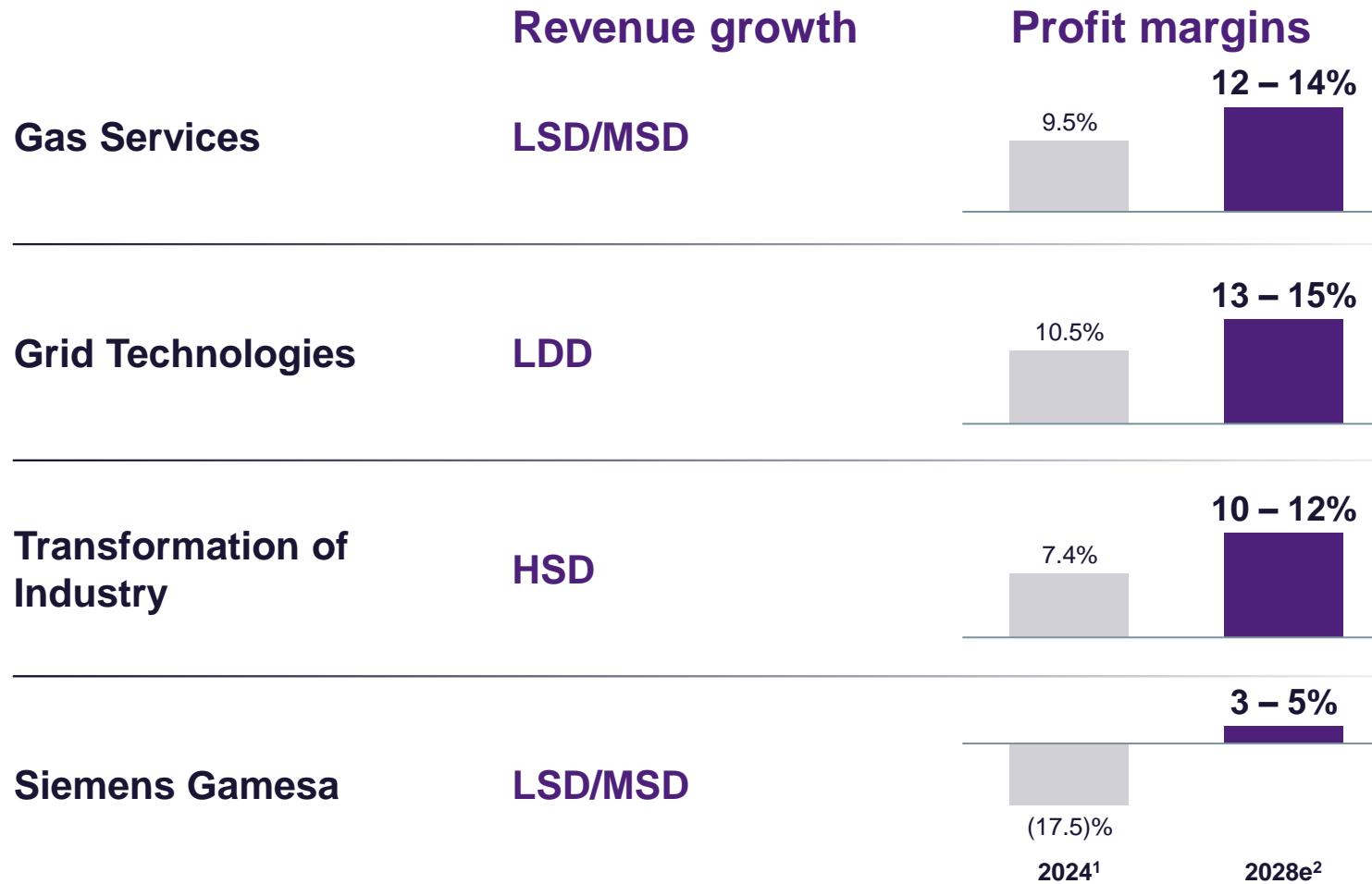
~1/6 of global power generation and transmission is based on SE technology  
~1/3 of Europe's power transmission equipment is based on SE technology

## Leading market positions

#2 in Gas Turbines  
#1 in Offshore Wind  
#1 in Grid Solutions  
#2 in Grid Products  
#1 or #2 in all TI-businesses

<sup>1</sup> Number of employees as of Dec. 31, 2024

# All business areas will contribute to strong growth and strong margin improvement at SE level



1 Profit before SI | 2 Profit as reported | 3 Compound annual revenue growth rate (FY24-based)

# Clear cash flow allocation principles to maximize shareholder value

- 1** Backlog execution

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- 2** Balance sheet strength Investment grade rating

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- 3** Capex for additional growth

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- 4** Return to shareholders 40 – 60% of net income

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- 5** M&A, R&D and portfolio additions Clear return criteria & strict hurdle rates



**We energize society**



# Strong start to the year – capitalizing on favorable market trends

## Q1 FY25 Highlights

### Performance

- Strong revenue growth
- 270bps margin improvement
- Very strong cashflow

### Market

- Datacenter demand materializing
- Nuclear renaissance driving service
- Successful offshore wind auctions in South Korea and Japan

### Business

- S&P outlook upgrade to stable
- Factory extension in progress
- Pricing trends remain favorable

## Q1 FY25 Financials

Revenue <b>€8.9bn</b> (+18.4% yoy <sup>1</sup> )	<b>8 – 10%</b> <sup>1</sup>
Profit margin before SI <b>5.4%</b> (+270bps yoy)	<b>3 – 5%</b>
Net income <b>€252m</b> (neg. €1.3bn <sup>2</sup> yoy)	<b>~ break-even</b> <sup>3</sup>
Free Cash Flow pre tax <b>€1.5bn</b> (+€1.8bn yoy)	<b>under review</b> <i>(prev. up to €1bn)</i>

## FY25 Outlook

Orders<sup>4</sup>

**€13.7bn**

Order backlog<sup>5</sup>

**€131bn**

Book-to-bill<sup>4</sup>

**1.53**

<sup>1</sup> Comparable revenue growth: Excluding currency translation and portfolio effects | <sup>2</sup> Q1 FY24 includes a pre tax gain related to the sale of an 18 percent stake in Siemens Limited, India of €1,729m | <sup>3</sup> excluding assumed positive Special items subsequent to the demerger of the energy business from Siemens Limited, India | <sup>4</sup> in Q1 FY25 | <sup>5</sup> as of December 31, 2024

# Gas Services – growing in an attractive market

## Market environment

**Gas as cornerstone for the energy transition**

**Strong regional programs support gas market of ~70 GW per year**

**Decarbonization solutions for gas**

**Data centers provide upside**

**Nuclear renaissance**

## Our Focus

### Competitive portfolio

- Sustain improved gross margins
- Technology leadership, cost-out and selectivity
- 30% capacity expansion for large gas turbines

### Leading service performance

- New fleet additions and margin expansion
- Invest in modifications and upgrades as well as new service models

### Enabling decarbonization

- 100% H<sub>2</sub> (and green fuels) roadmap
- CCUS<sup>1</sup> partnerships
- Support nuclear projects

## Business Performance

**€45bn** of which ~80% Service  
Order backlog<sup>2</sup>

### Guidance FY25

**7 – 9%**  
Revenue growth<sup>3</sup>

**10 – 12%**  
Profit margin before SI

### Targets FY28

**LSD / MSD**  
Revenue growth<sup>4</sup>

**12 – 14%**  
Profit margin

<sup>1</sup> Carbon Capture, Utilization and Storage | <sup>2</sup> As of September 30, 2024 | <sup>3</sup> Comparable revenue growth: Excluding currency translation and portfolio effects |

<sup>4</sup> Compound annual revenue growth rate (FY24-based)

# Grid Technologies – fastest growing business with attractive profitability

## Market environment

Fast growing market with 12% CAGR

Connection of renewables to multiply

Ageing infrastructure requires replacement

Data centers provide upside

Digital grid solutions to keep grids stable

Excellent market position  
#1 in solutions, #2 in products

## Our Focus

### Scaling up capacities

- 2 new factories go live in 2026, focus on effective use of capital
- Expansion investment of ~€1.1bn
- Transformer capacity to expand by 85 GVA<sup>1</sup>
- +6.000 FTE ramp-up incl. partners, 50% of headcount additions in best cost countries

### Safeguarding execution

- Industrialization of products and solutions
- Harmonizing factory management
- Leverage Digitalization

### Transform the portfolio

- Focus on attractive markets and product
- Ramp up digital grid solutions
- Drive Blue portfolio

## Business Performance

€33bn

Order backlog<sup>2</sup>

## Guidance FY25

23 – 25%

Revenue growth<sup>3</sup>

10 – 12%

Profit margin before SI

## Targets FY28

LDD

Revenue growth<sup>4</sup>

13 – 15%

Profit margin

<sup>1</sup> Gigavolt-ampere | <sup>2</sup> As of September 30, 2024 | <sup>3</sup> Comparable revenue growth: Excluding currency translation and portfolio effects |

<sup>4</sup> Compound annual revenue growth rate (FY24-based)

# Transformation of Industry – operational excellence and capturing new opportunities

## Market environment

Acceleration of industry electrification

Growing service demand for our equipment

Data centers provide upside

Hydrogen as a long-term opportunity

#1 or #2 in all businesses

## Our Focus

### Accelerate performance improvement

- Turnaround of compression and steam business achieved
- Prioritize profitability through selectivity
- Push margin improvement with operational excellence

### Maximize service growth

- +35% service revenue growth in last two years
- Huge ~85k installed base, up to 50-year unit lifetime
- Continue double-digit service annual growth
- Capitalize on high transactional share ~70%

### Develop portfolio

- Grow decarbonization offerings: electrification, hydrogen, decarbonized heat, CCUS<sup>1</sup>, and SMR<sup>2</sup>
- Drive digital offerings

## Business Performance

~€8bn of which 30% Service  
Order backlog<sup>3</sup>

## Guidance FY25

11 – 13%  
Revenue growth<sup>4</sup>

8 – 10%  
Profit margin before SI

## Targets FY28

HSD  
Revenue growth<sup>5</sup>

10 – 12%  
Profit margin

<sup>1</sup> Carbon Capture, Utilization and Storage | <sup>2</sup> Small Modular Reactors | <sup>3</sup> As of September 30, 2024; does not capture value from transactional business | <sup>4</sup> Comparable revenue growth: Excluding currency translation and portfolio effects | <sup>5</sup> Compound annual revenue growth rate (FY24-based)

# Siemens Gamesa – stepwise turnaround, benefitting from continuous growth trend

## Market environment

**Market to reach 100 GW in FY30<sup>1</sup>**  
thereof ~73% onshore and ~27% offshore

**Industry becomes more mature**

**Supportive government targets**

**Stabilizing price levels**

**Strong market position**  
#1 Offshore and #3 Onshore

## Our Focus – path towards profitability

### Successful service business

- Maximizing return from installed fleet (>140 GW)
- Driving profitable aftermarket sales

### Increase Offshore profitability

- Successful production ramp-up
- Strict discipline on contractual T&Cs

### Turnaround Onshore

- Re-introduction of the 4.X and 5.X platforms
- Reduction of Non-conformance costs

### Operational Excellence

- Streamlining organization, portfolio and manufacturing footprint
- Harvest synergies with SE group
- Exit unattractive markets

## Business Performance

**€38bn** of which 50% Service  
Order backlog<sup>2</sup>

## Guidance FY25

**(9) – (5)%**  
Revenue growth<sup>3</sup>

**~€(1.3)bn**  
Profit before SI

## Targets FY28

**LSD/MSD**  
Revenue growth<sup>4</sup>

**3 – 5%**  
Profit margin

<sup>1</sup> Source: Wood Mackenzie global wind power market outlook update Q3 2024 | <sup>2</sup> As of September 30, 2024 | <sup>3</sup> Comparable revenue growth: Excluding currency translation and portfolio effects | <sup>4</sup> Compound annual revenue growth rate (FY24-based)