

Leading the Energy Transformation

Christian Bruch, Chief Executive Officer
J.P. Morgan European Capital Goods Conference
June 10, 2022



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Our vision

To become the most valued energy technology company in the world

Key messages

Since the start of Siemens Energy in 2020 we have made substantial operational improvements & portfolio changes

The electricity and energy market is under significant change and will receive substantial investment over the next decades

Siemens Energy is excellent positioned to benefit from these investments

We focus on 5 key levers to create value for our stakeholders

Driving sustainability across our own portfolio and operations will drive profitable growth



Acting in a

Changing environment

There are multiple scenarios how the electricity market will develop but all of them have common themes

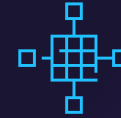


Electricity production will grow faster than GDP



Production capacity will grow

- Capacity expansion will be covered by renewables
- Gas will continue to be a backbone of electricity production
- Coal will be phased out



Grid investment will rise to unprecedented levels



Energy efficiency will be a competitive criteria across industries due to

- Higher cost
- Volatility of supply
- Regional differences

We support our customers along the value chain

Low- or zero-emission power generation



Transport and storage of electricity



Reducing CO₂ footprint and energy consumption in industrial processes



Market position

#1 Offshore **#3** Onshore **#1** Gas turbines >10MW²

#1

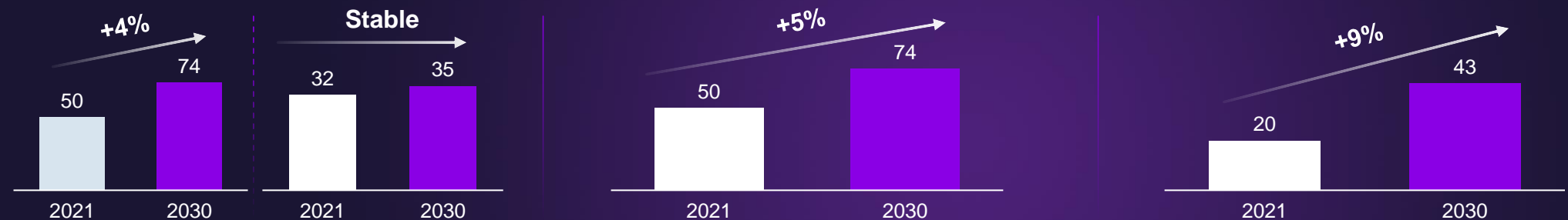
Leading market positions

Examples

- >100GW wind turbine installations
- 7,800 units of rotating equipment installed
- Global leader in HVDC installations
- Most comprehensive SF6-free switching portfolio
- >60,000 Industrial steam units and >25,000 Compression units in Service Fleet

Market growth¹

(CAGR in GW for wind and in €bn for the other projections)

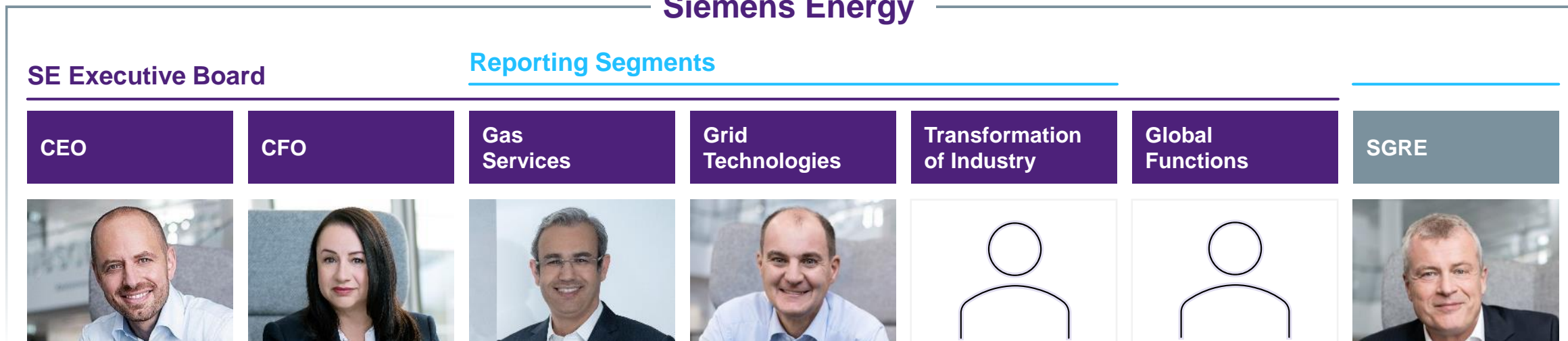


¹ Wind market based on BloombergNEF, 2H 2021 Global Wind Market Outlook; excl. China; gas turbine, transmission and industrial market based on internal market assessment | ² Power generation applications in H1 FY22
June 10, 2022

New group structure (effective October 1, 2022)

to increase customer focus, transparency and accountability

Siemens Energy

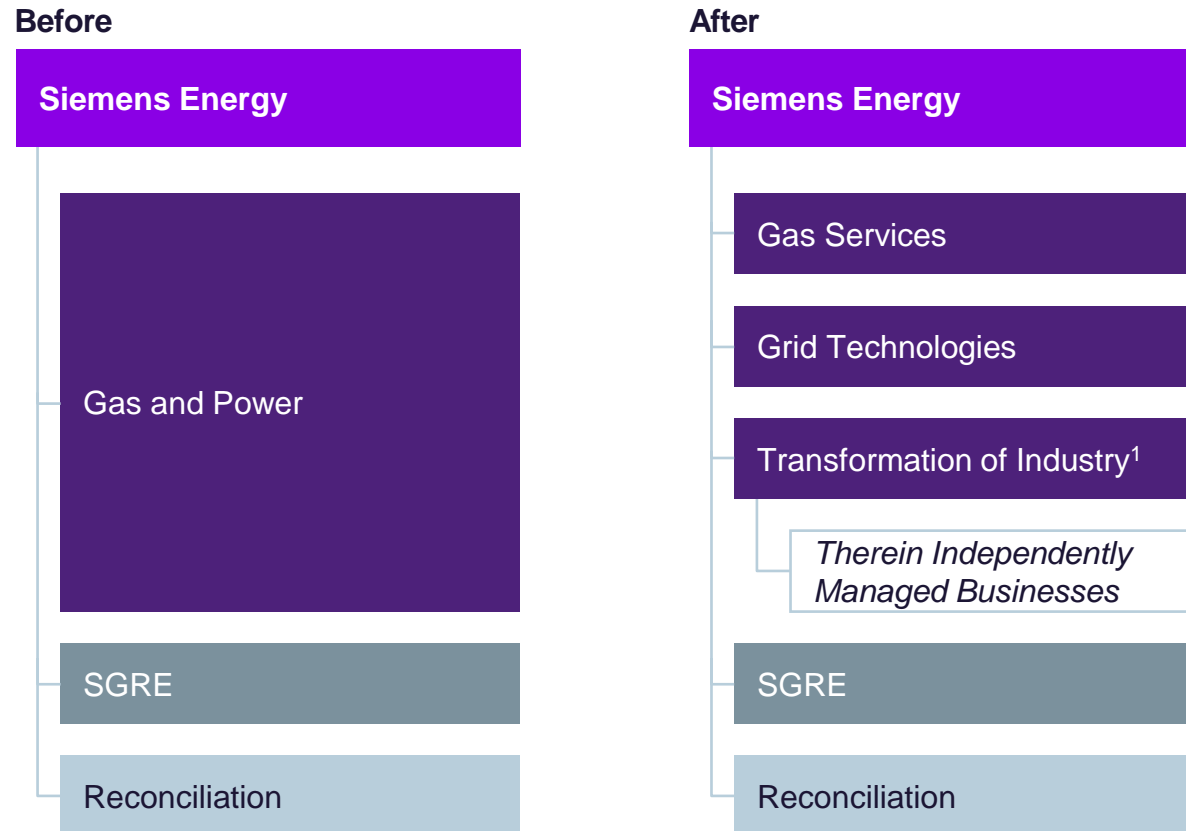


GP:	Record orderbook ¹	Adj. EBITA before SI ²	FCF ³
	€57bn	+35%	€2.9bn
SGRE:	€33bn	Negative	€(0.7)bn

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) June 10, 2022

New reporting structure significantly increases transparency

Reporting structure



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

New reporting structure

Effective October 1, 2022

New reporting structure following board structure, splitting former Gas and Power segment into 3 segments

Gas Services, Grid Technologies, Transformation of Industry and SGRE will be disclosed as segments

Additional disclosure within Transformation of Industry

Gas Services

Share of Siemens Energy total revenue¹



Revenue¹

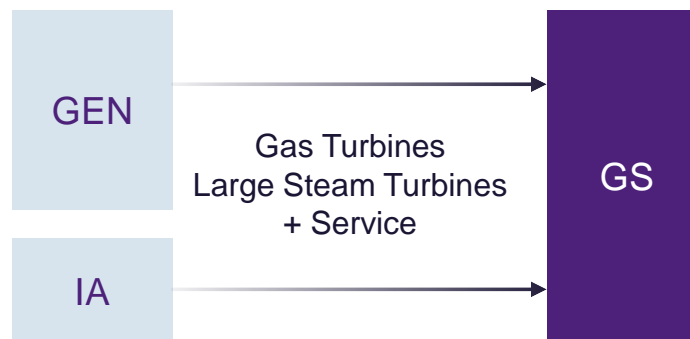
€9.0bn

Adj. EBITA margin before SI¹

7.0%

Monetize on installed base through service and decarbonization

What has changed in the new group structure?



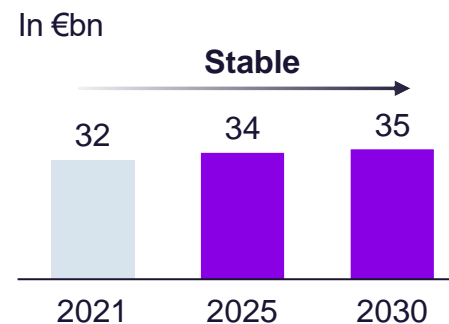
Business Drivers

- Decarbonization of power generation and district heating
- Service, Mods and Upgrades to increase efficiency and lower emissions
- Decentralization of energy infrastructure

Portfolio Elements

- Large and Industrial Gas Turbines from 4 – 600 MW
- Large Steam Turbines
- Large Generators
- Heat Pumps
- Modernization and Upgrades

Addressable Market²



Mid-term Targets

Revenue growth
Stable / modest decline
 Adj. EBITA margin (as reported)
10 – 12%

¹ FY21 pro-forma restated figures reflecting new reporting structure, partially approximated. The pro-forma revenue numbers are rounded to the nearest 50 million and the profitability number to the nearest half percentage point. | ² SE estimates

Grid Technologies

Share of Siemens Energy total revenue¹



Revenue¹

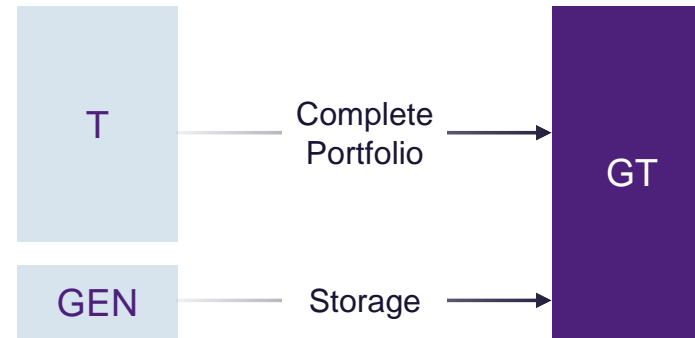
€5.8bn

Adj. EBITA margin before SI¹

6.5%

Leverage market leadership to benefit from accelerating investment

What has changed in the new group structure?



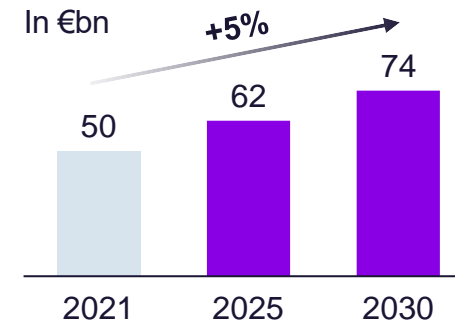
Business Drivers

- Growing electricity demand
- Connection of increasing amount of renewable energy
- Modernization of aging transmission grid
- Grid reliability and resiliency in increasing network complexity

Portfolio Elements

- HVDC transmission
- Grid Stabilization and Storage
- High voltage switchgears and transformers
- Grid automation & digitalization

Addressable Market²



Mid-term Targets

Revenue growth

Mid single digit

Adj. EBITA margin (as reported)

8 – 10%

¹ FY21 pro-forma restated figures reflecting new reporting structure, partially approximated. The pro-forma revenue numbers are rounded to the nearest 50 million and the profitability number to the nearest half percentage point. | ² SE estimates

Transformation of Industry

Share of Siemens Energy total revenue¹



Revenue¹

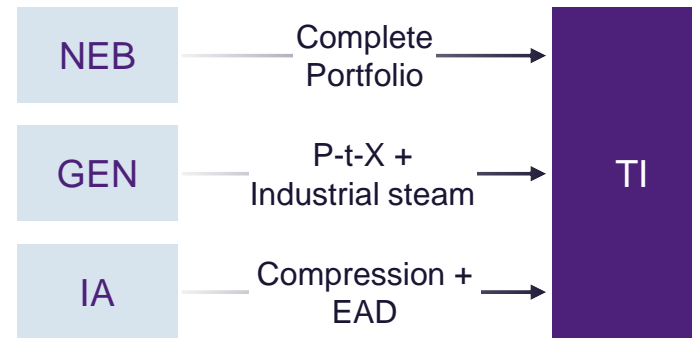
€3.9bn

Adj. EBITA margin before SI¹

-2.5%

Decarbonize industrial sector through focus on hydrogen and EAD

What has changed in the new group structure?



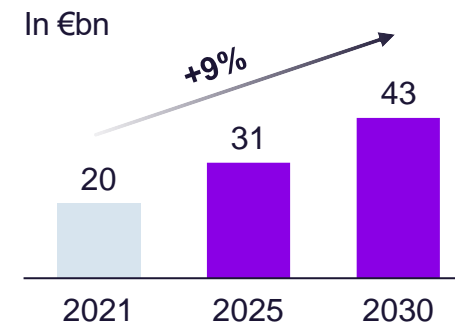
Business Drivers

- Growing demand for green hydrogen and derivative fuels
- Increasing electrification and efficiency of industrial processes
- Optimization demand of heat & power processes incl. waste heat utilization
- Need for reliable production, transportation and processing of gas and fuels

Portfolio Elements

- Hydrogen electrolyzer systems and Power-to-X solutions
- Integrated EAD solutions and services
- Industrial steam turbines and generators
- Turbo & Recip compressors and service; compression systems

Addressable Market²



Mid-term Targets

Revenue growth

Mid single digit

Adj. EBITA margin (as reported)³

6 – 8%

¹ FY21 pro-forma restated figures reflecting new reporting structure, partially approximated. The pro-forma revenue numbers are rounded to the nearest 50 million and the profitability number to the nearest half percentage point. | ² SE estimates | ³ Business Area profitability target range reflects different target ranges of independently managed businesses. Growth businesses may be margin dilutive to the mid-term Business Area target

Siemens Gamesa Renewable Energy

Share of Siemens Energy total revenue¹



Revenue¹

€10.2bn

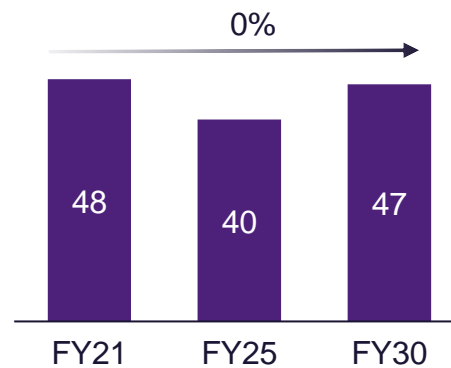
Adj. EBITA margin before SI¹

-1.0%

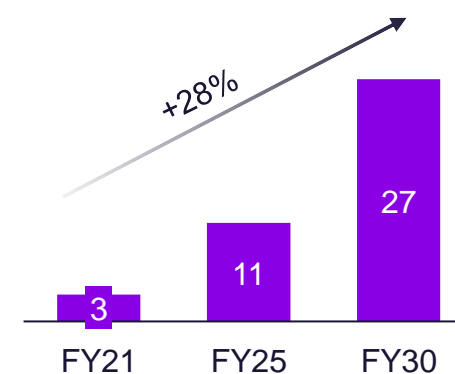
Secure turnaround

Wind market shows exceptional future growth

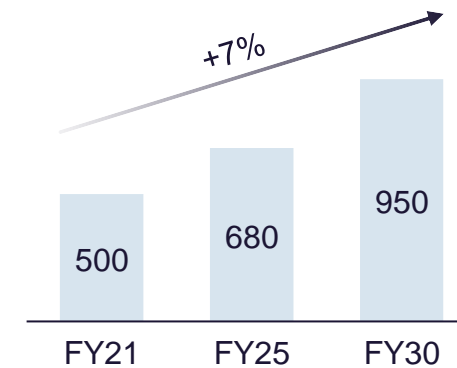
Annual global onshore wind installations² (GW, excl. China)



Annual global offshore installations² (GW, excl. China)



Global installed capacity in wind³ (GW, excl. China)



Mistral program to be launched as vehicle to achieve long-term vision

Program approach adjusted to **face recent industry challenges**

Immediate focus on mitigating short-term headwinds: Siemens Gamesa 5.X and supply chain

Key levers identified to achieve margin expansion by mid-term

Transformational measures to be explored, in order to unlock full potential of SGRE

¹ FY21 | ² BloombergNEF, 2H 2021 Global Wind Market Outlook; excl. China | ³ BloombergNEF, Wind Cumulative Installed Capacity and Forecast by Country (2022); excl. China

Transaction structure

Purchase price

Key terms of the voluntary cash tender offer with intention to delist

- Voluntary tender offer covering all outstanding shares of SGRE with intention to delist
 - The audit firm PwC was engaged as an independent valuator to issue a valuation report in order to comply with Spanish rules on delisting
-
- €18.05 per share
 - 27.7% over SGRE's last unaffected closing price on 17 May 2022
 - The offer price exceeds the 6-month Volume Weighted Average Price ("VWAP") of the SGRE share prior to the date of this announcement³

Tentative timeline



¹ Tentative timeline subject to CNMV review and overall process

² 15 – 70 days acceptance period to be determined by Siemens Energy

³ Calculated in accordance with Spanish market practice and Spanish Takeover Regulations

Funding requirement

Rating commitment

Funding structure

Envisaged offer funding and rating commitment

- Funding requirement driven by tender offer acceptance
 - Assuming a 100% offer acceptance (i.e. by all SGRE minority shareholders), transaction value amounts to approximately €4.0bn (at an offer price of €18.05)
-
- Balance sheet strength is a core part of Siemens Energy's strategy
 - Siemens Energy is and remains committed to a solid investment grade credit rating
 - Financing package designed to support this key objective
-
- The funding of the acquisition is fully underwritten by Bank of America and J.P. Morgan
 - Assuming a full acceptance of the offer, Siemens Energy intends to finance up to € 2.5 billion of the transaction value with equity or equity like instruments
 - The remainder of the transaction would be financed with debt as well as cash on hand
 - As a first step, equity may be offered without subscription rights, subject to market conditions

ESG is a business opportunity



E Environment



S Social



G Governance

Our Targets



Decarbonization
Climate neutral own operations by 2030
Aspiration of **Net Zero** value chain



Gender diversity
25% by 2025
30% by 2030
(share of women in top leadership positions)



Safety
Achieve Zero Harm
Become the leader in our industry

Recognition

Top 4%



B-



MSCI ESG RATINGS

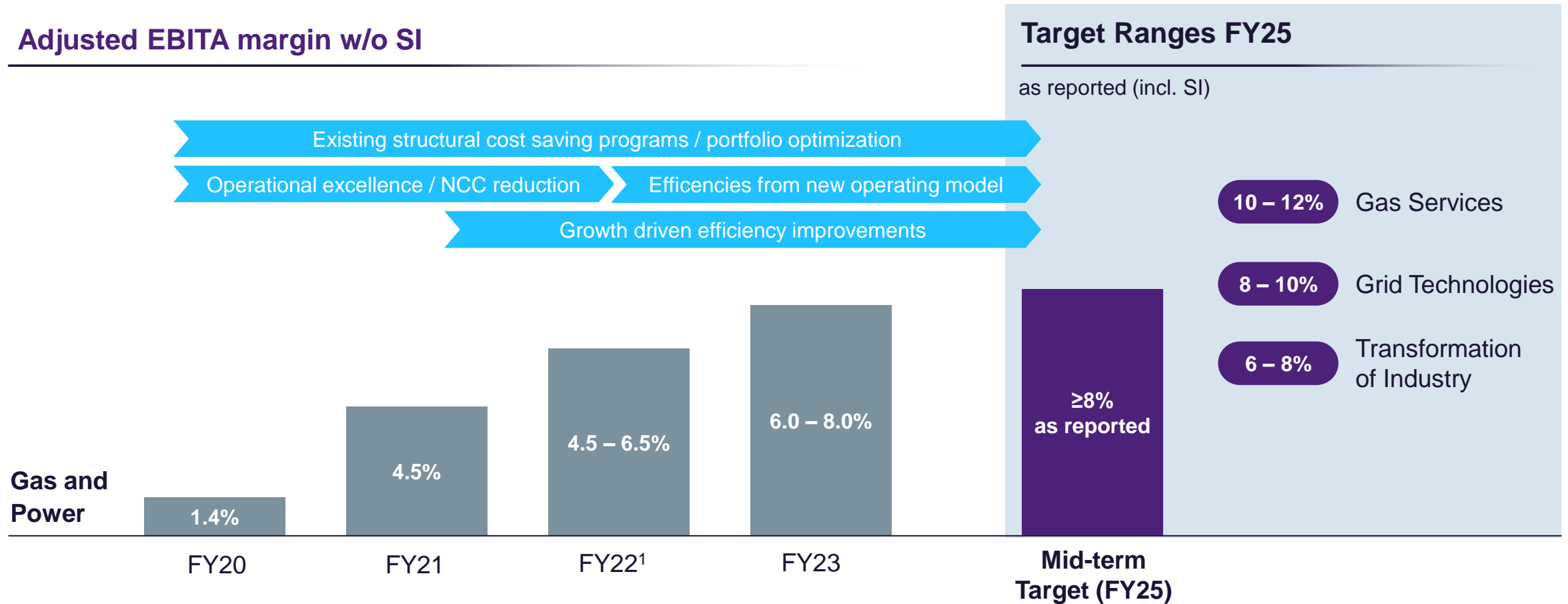


CCC B BB BBB A AA AAA



New Business Area margin targets clearly support original Gas and Power margin target of $\geq 8\%$ as reported

Adjusted EBITA margin w/o SI



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 of prevailing challenges Siemens Energy expects results in GP towards the low end of the range.

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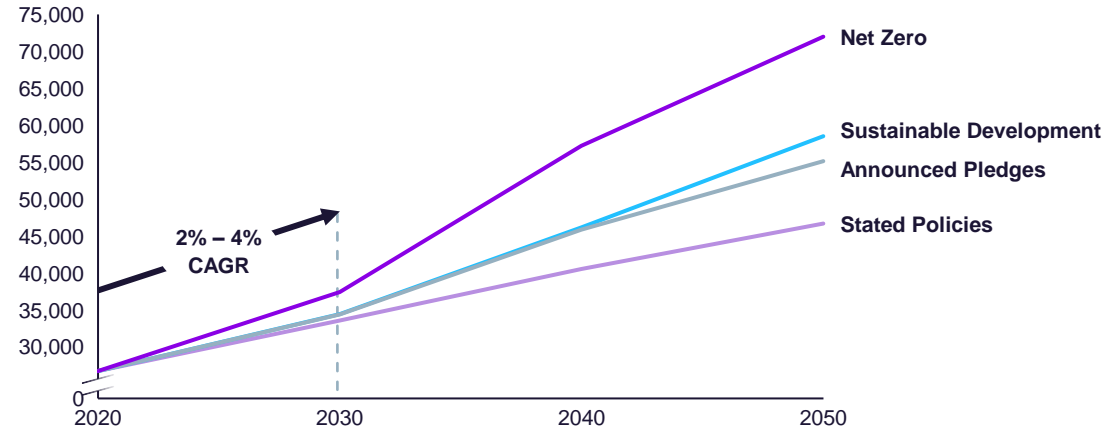
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Driving sustainability across our own portfolio and operations will drive profitable growth

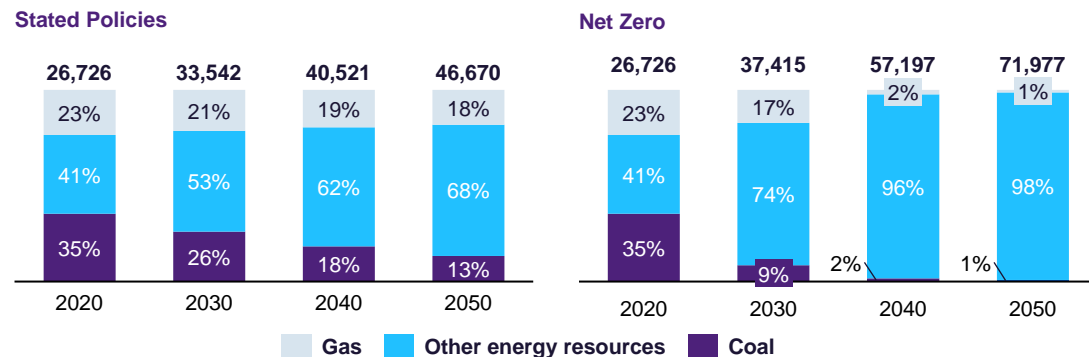
Appendix

There are multiple scenarios how the electricity market will develop...

Global electricity generation scenarios (TWh)



Global electricity generation by source (TWh)¹



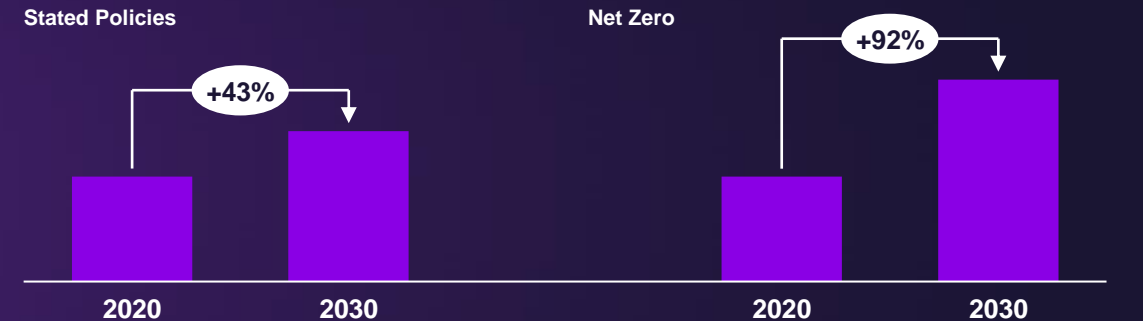
Source: IEA WEO 2021

¹ Other energy includes: Hydro, Nuclear, Geothermal, Oil, Hydrogen based, Bioenergy
June 10, 2022

Massive growth in renewables installations

Scenario	Wind	Solar
Stated Policies	+120%	+240%
Announced Pledges	+160%	+315%
Sustainable Development	+220%	+385%
Net Zero	+420%	+570%

Electricity production capacity to grow continuously until 2030



New operating model (effective October 1, 2022)

with less hierarchy, more accountability and a focus on excellence

Clear Structures



- Hierarchy layers reduced from 11 to 6
- 30% less management positions
- Full P&L units from >80 to 7
- Clear business accountability
- Elimination of portfolio overlaps

Unified go to market



- Harmonized regional footprint with regional Hubs representing all Business Areas
- Integrated customer interfaces for Business Development

Operational excellence



- Integrated global functions generating synergies across Business Areas
- Supply chain excellence
- Process and data harmonization
- Global flexibility of execution resources

Focused innovation



- Five fields of actions
- Four global innovation centers
- Strengthened collaboration with external partners

Greater transparency enables the capital market to fully appreciate the value of each Business Area

New Reporting structure as of October 1, 2022

Business Areas	Business activities included	Revenue / Adj. EBITA margin before SI (FY21 pro-forma) ¹	
Gas Services (GS)	Includes all gas and large steam turbines and related service business from former Generation and Industrial Applications businesses	€9.0bn	7.0%
Grid Technologies (GT)	Same as former Transmission business, future storage activities will be included as well	€5.8bn	6.5%
Transformation of Industry (TI)		€3.9bn	neg. 2.5%
Sustainable Energy Systems (SES)	H2 Electrolyzer systems (former New Energy Business), Power-to-X plants, Hybrid solutions	€27m	neg. 200%
Electrification, Automation, Digitalization (EAD)	Previously part of Industrial Application business. Integrated EAD solutions, value added services & consultancy	€1.0bn	4.0%
Industrial Steam Turbines & Generators (IST)	Previously part of Generation and Industrial Applications businesses. Industrial steam turbines (up to 250 MW) including services for fleet >60,000 units, Industrial Generators	€1.3bn	2.0%
Compression (CP)	Previously part of Industrial Applications business. Turbo & Reciprocating compressors including service for fleet >25,000 units, Compression trains / systems	€1.6bn	neg. 7.0%

¹ FY21 pro-forma restated figures reflecting new reporting structure, partially approximated. The pro-forma revenue numbers are rounded to the nearest 50 million and the profitability number to the nearest half percentage point.

The new transparency at a glance

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	●		●		●			
E-A-D	●		●		●			
IST	●		●		●			
CP	●		●		●			
SGRE	●	●	●	●	●	●	●	●

Financial Framework Mid-term target ranges for profitability and qualitative growth targets for each reportable segment (expected end of FY22)

Guidance (annually) Profitability and revenue target range for each reportable segment

EU Taxonomy From FY22 onwards we will report proportion of taxonomy-eligible economic activity in the Group's revenue, capital (CapEx) and operation expenditure (OpEx)

¹ Based on external revenues

We are at an inflection point for sustainable growth at GP to lead the energy transformation



¹ Comparable revenue growth CAGR, excluding currency translation and portfolio effects