Capital Market Day 2020

Siemens Gamesa Renewable Energy

Andreas Nauen, SGRE CEO



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Siemens Gamesa Renewable Energy by the numbers

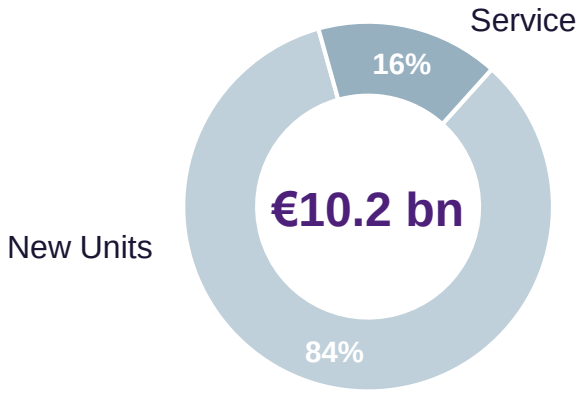
Siemens Energy total revenue (FY19)



35%

share of Siemens Energy total revenue

SGRE Revenue (FY19)[1]



Key figures (FY19)

€26 bn
Order backlog

€13 bn
Orders

€10 bn
Revenue

~24 k
Employees

Market capitalization

~€15 bn[2]

1 Numbers refer to external revenues excluding transactions between New Unit and Service business within SGRE segment | **2** As of August 28, 2020

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The winds of change have never been stronger

The SG 14-222 DD

Up to 15 MW with Power Boost

+25% annual energy production increase vs. predecessor

Turbine installation in less than 24 hours with **>98% availability from day one**[1]

1 Project/site-specific conditions apply

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Siemens Gamesa Renewable Energy – well positioned to unleash the full potential of wind



A **market leader** in the attractive wind industry with the right **foundation in place** to play a key role in decarbonization trends

Highly favorable industry dynamics, with growth mainly coming from attractive offshore and service segments

Well positioned for value creation with innovation, productivity & asset management, operational excellence and sustainability at the core of SGRE

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1 | SGRE is an industry leader in wind power solutions and services

Onshore



#3[1]

- **~90 GW i**nstalled[3]
- Truly global player in a large and stable market

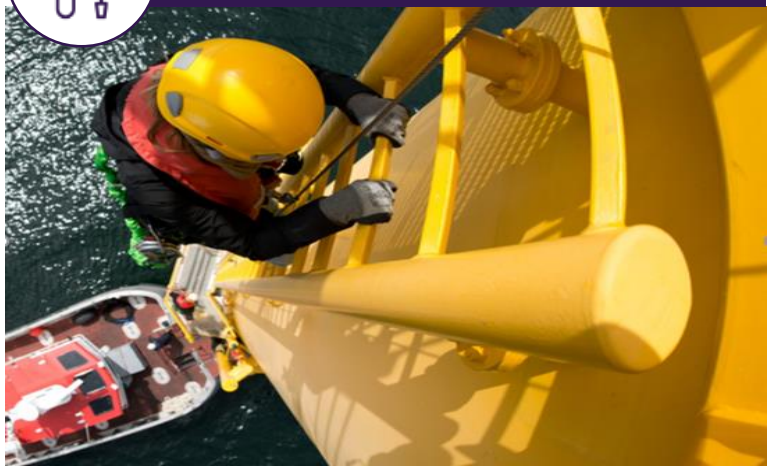
Offshore



#1[1]

- **~16 GW i**nstalled[3]
- **Unparalleled track-record** in a **double-digit growing** market

Service



#2[2]

- **~72 GW u**nder service[3]
- **Highly profitable** business in a **fast growing** market

1 Source: Wood Mackenzie, “Global Wind Turbine OEM 2019 Market Share”. For Onshore excl. China | **2** Based on global installed fleet (Source: Wood Mackenzie, “Global Wind Power Project Installation Database”) | **3** End of Q3 FY20

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1 | ONE SGRE with the right foundation in place

Sustainability
Member of **major ESG indexes**

Execution Capabilities
World's **largest offshore wind park**
Hornsea ONE commissioned on time

Scale & Global footprint
More than **100 GW** installed
Onshore installed base in **>70 countries**



People
International and skilled teams across the globe

Technology
~2,000 dedicated R&D staff with >5,800 patents

Financial Strength
First wind OEM with **Investment Grade**
Solid liquidity position

Note: ESG = Environmental Social Governance

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1 East Anglia ONE: Excellence in project execution



102 SG 7.0-154 DD wind turbines supplying clean green power **to over 630,000 homes**

Siemens Gamesa´s **1,000th Offshore DD turbine** installed

Completed **successfully** with **zero defects**

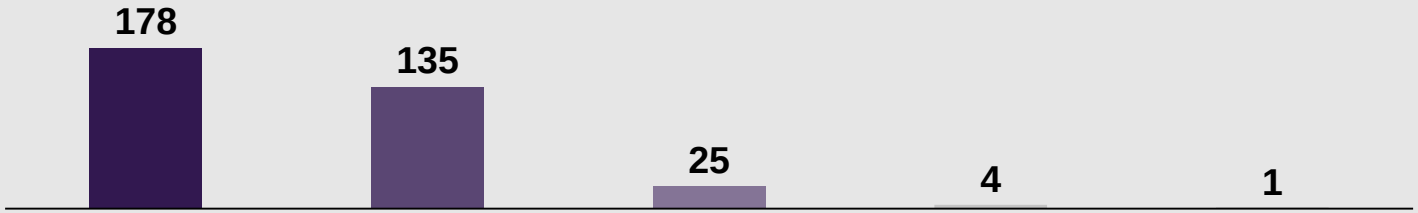
Pioneering 66 kV transmission technology

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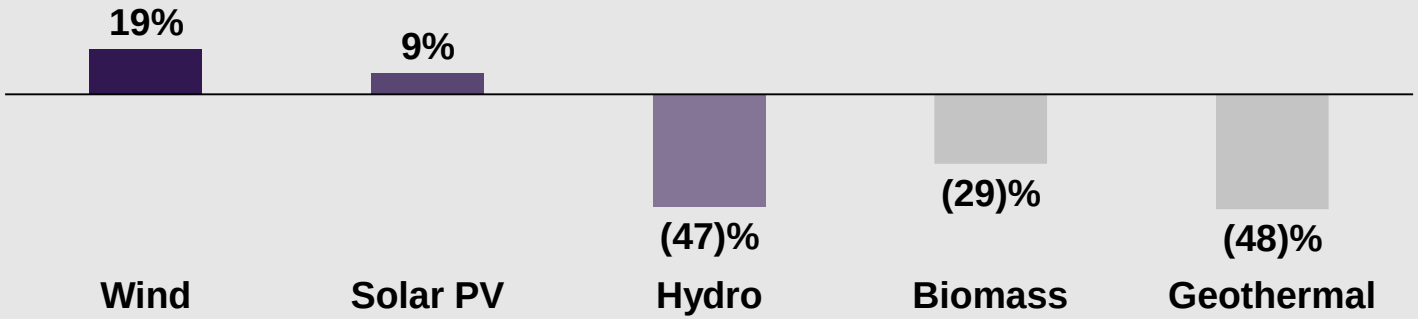
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2 | Wind power attracting largest pool of investments and recent trends confirm potential

2020-2040 investments in renewable power[1] ($ bn/year)



% change in expected annual investments until 2040 vs. 2017 outlook[2]



1 BNEF NEO 2019, based on 2018 USD value | **2** Expectation of annual investments in BNEF NEO 2019 vs. expectation in BNEF NEO 2017; for comparison, inflation rate considered between reported NEO 2019 and NEO 2017 values

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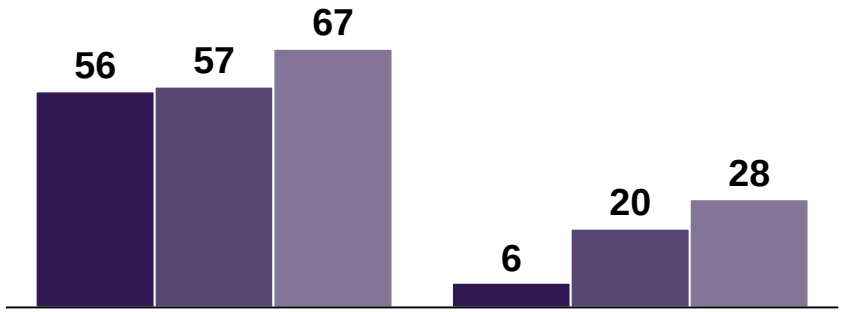
2 Very strong growth in Offshore and Service during next five years and beyond. Demand in Onshore remains solid

WTG

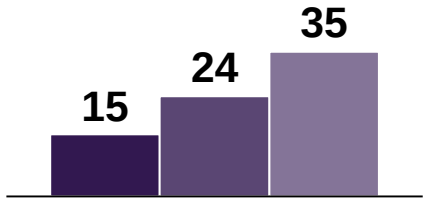
Service

Market Size

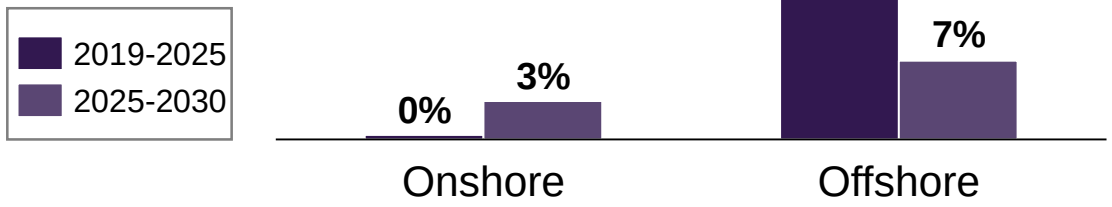
Annual installations (GW)[1]

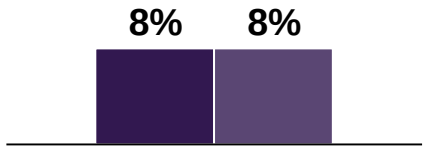


Annual O&M market size (€ bn)[2]



Growth (CAGR %)





1 Source: Wood Mackenzie Global Wind Power Market Outlook Q2 2020 (until 2029), 2030 based on SGRE own estimation | **2** Source: Wood Mackenzie O&M reports (until 2028), 2030 data based on SGRE own estimation

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2 Industry has gone through significant headwinds that have driven margin erosion, but outlook favouring recovery

Major industry headwinds (2017-2019)



Introduction of auctions around the globe



Supply chain challenges with increases in commodity prices and tariffs amidst record volumes in the industry

2020

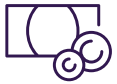


- Global industry hit by COVID-19, especially in supply chain
- Impact in demand mainly resulting in volume shift / delay in installations of onshore projects

Outlook[1] (2021-2023)



- Transition to auctions **mostly completed**
- **Pricing trends normalized**



- **Commodity prices** relaxed over last quarters
- **Some tariff uncertainty** remains**, but mitigating actions developed by the industry**
- **Global supply chain ramped up**

1 Assumes that there is no second wave of COVID-19 or a significant prolongation of the current pandemic

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3 SGRE positioned for leadership in value creation: Strategy

	What	How
 Onshore	**Return to sustainable profitability**	▪ Focus on **profitable volume & de-risk** business ▪ Introduce **new leading technology** ▪ Reduce **supply chain complexity** ▪ Reinforce **project execution capabilities** ▪ **Reorganization** to optimize performance
 Offshore	**Capture market growth through profitable leadership position**	▪ Maintain **technological differentiation** ▪ **Globalization** with market expansion and early customer engagement ▪ **Execution excellence**
 Service	**Grow above market sustainably at benchmark profitability**	▪ Continue to develop **new business models** together with **customers** ▪ Focus on **innovation**, **productivity** and **operational excellence** ▪ Capture potential of profitable **multi-brand business**

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3 SGRE positioned for leadership in value creation: LEAP program launched to achieve our targets

LEAP

Innovation

Striving for **technology leadership** and **business model innovation**

Productivity & Asset Management

Continuous focus in **cost optimization** and stringent **cash management and control**

Operational Excellence

Strengthening **process and project execution discipline** and achieving **industry benchmark safety and quality** levels

Digitalization as enabler / differentiator across all business areas

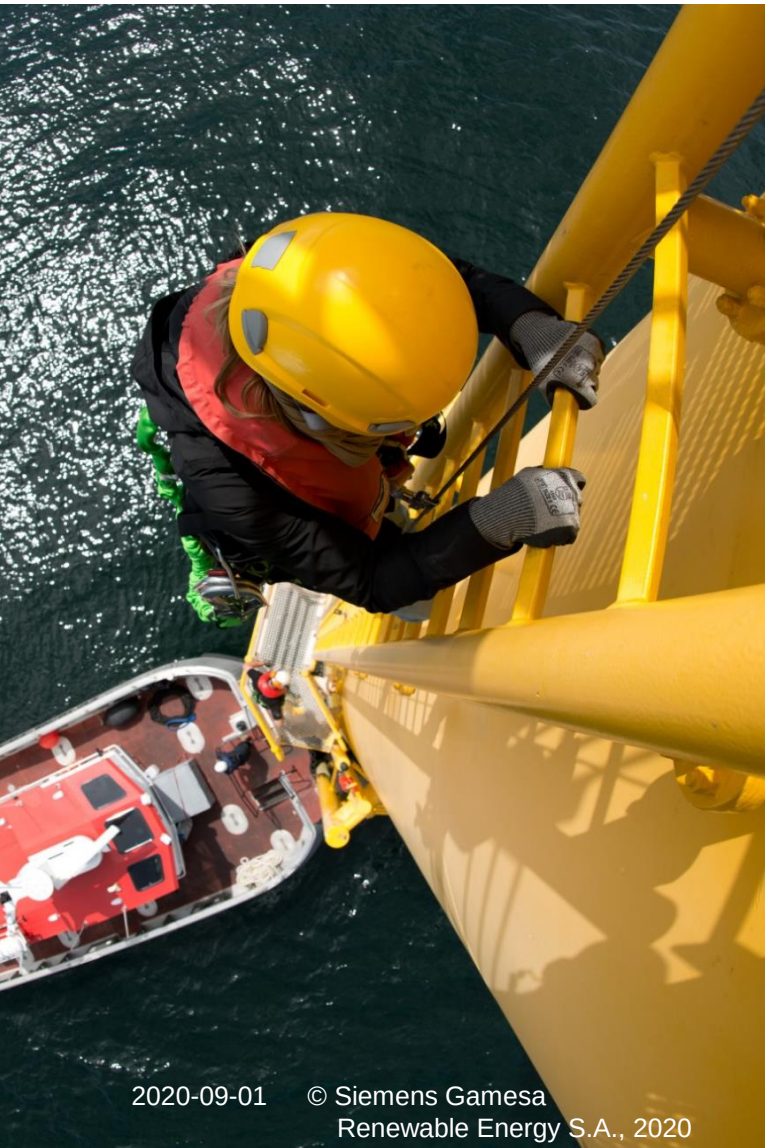
Sustainability + People oriented company

'Go-to' company in renewable energy by setting the **industry benchmark in sustainability** & **employer attractiveness**

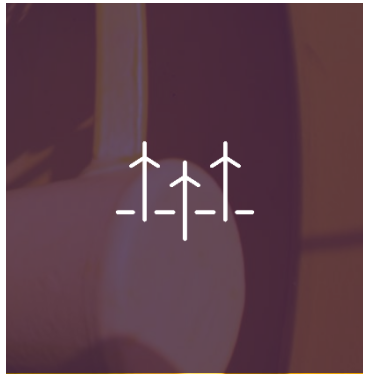
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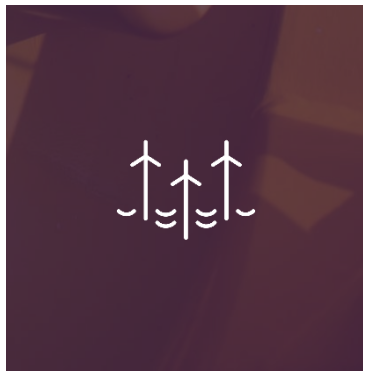
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Unleashing the full potential of Siemens Gamesa









Clear value creation story:

- Turnaround Onshore to sustainable profitability
- Capture growth in Offshore and Service

LEAP program launched

Prioritizing profit over volume

Focus on cash generation

Commitment to sustainability

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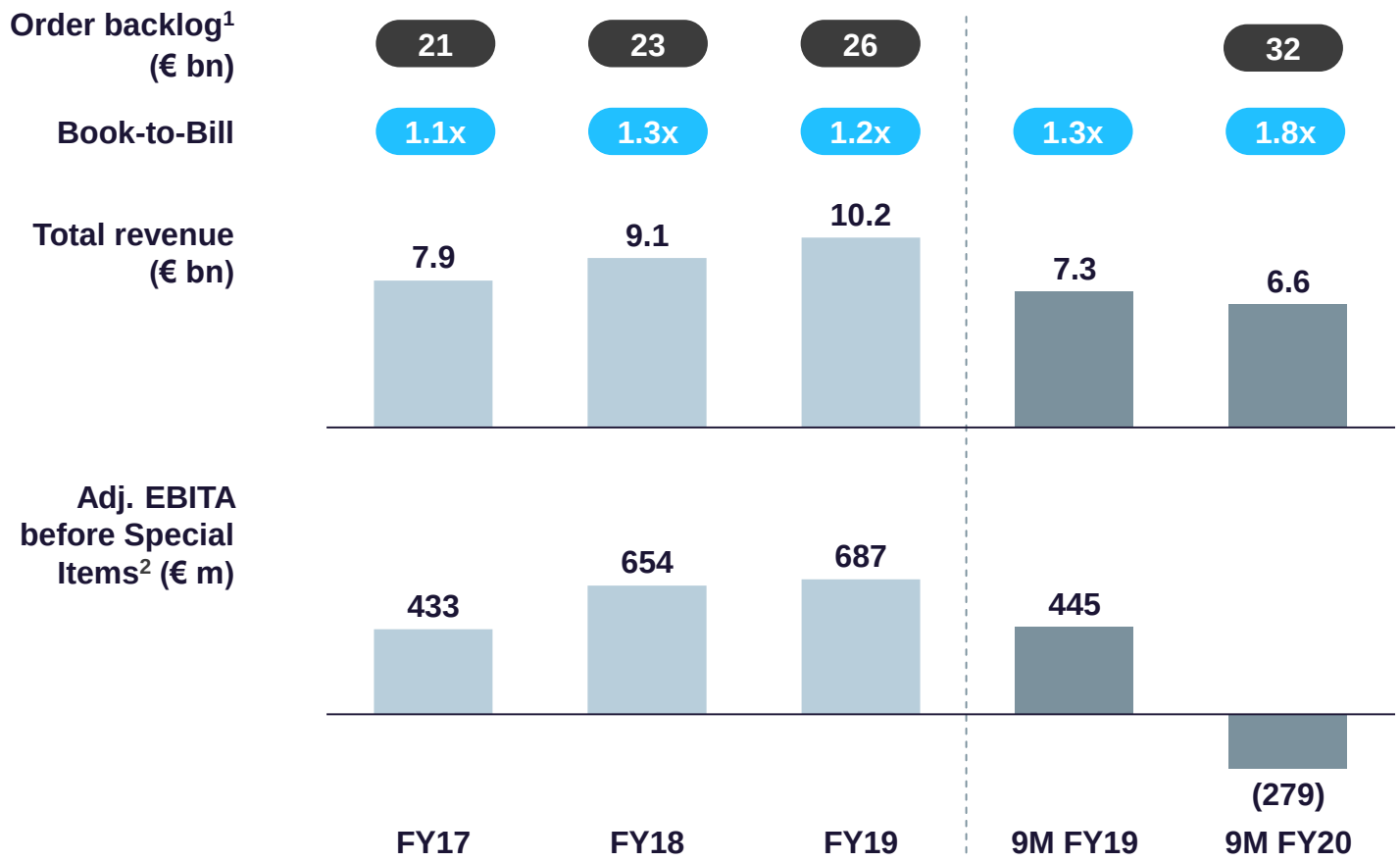
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Appendix

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Record backlog. Recent profitability under pressure in Onshore. Turnaround plan in place



Record level order backlog with strong book to bill – mainly driven by strong offshore and service order intake supported by market growth dynamics

Weak onshore performance affecting recent financials; turnaround into sustainable profitability – Industry prices now stabilized and SGRE turnaround program in place

Offshore and service businesses performing at benchmark levels

COVID-19 impact mainly on Onshore – with only limited impact on Offshore and Service

1 Order backlog is calculated by adding the orders of the current reporting period to the balance of the order backlog as of the end of the prior reporting period and then subtracting the revenue recognized in the current reporting period. Furthermore, direct order value adjustments such as modifications or cancellations of orders, currency translation and portfolio effects are taken into account **2** Based on Siemens Energy Financial Framework. Not reported by SGRE. SGRE reports EBIT margin pre PPA and I&R costs which is not a comparable metric. Investors should not consider Adjusted EBITA Margin before Special Items, as defined by Siemens Energy, as SGRE's own guidance nor base their investment decisions with regard to SGRE shares on such metric.

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