MOODY'S
RATINGS

Rating Action: Moody's Ratings changes Siemens Energy's outlook to positive from stable, affirms the Baa1 ratings

01 Jun 2026

Frankfurt am Main, June 01, 2026 -- Moody's Ratings (Moody's) has today affirmed the Baa1 long-term issuer ratings of Siemens Energy AG (Siemens Energy, or the company) and of its fully owned subsidiary Siemens Energy Global GmbH & Co. KG and the Baa1 instrument ratings of the backed senior unsecured notes issued by Siemens Energy Finance B.V. The outlooks on Siemens Energy, Siemens Energy Global GmbH & Co. KG and Siemens Energy Finance B.V. are changed to positive from stable.

"The outlook change is driven by the company's stronger than expected performance in the first half of fiscal 2026 and raised 2026 outlook, combined with further growth of the very sizeable order backlog that backs a positive outlook for 2026-28," said Matthias Heck, a Moody's Ratings Vice President – Senior Credit Officer and Lead Analyst for Siemens Energy. "The affirmation reflects the company's very strong business profile and credit metrics against the need to build more track record after a volatile history," added Mr. Heck.

RATINGS RATIONALE

The positive outlook reflects Siemens Energy's further improving operating performance, leading to notably higher operating profit margins of at least 10% and a very low leverage of less than 1x debt/EBITDA (Moody's adjusted) over the next 12-18 months. With this, the company will build track record (including a turnaround at Siemens Gamesa), which we require for a higher rating. The positive outlook also reflects the expectation of continued positive free cash flow generation and maintenance of excellent liquidity.

In the last twelve months to March 2026, Siemens Energy managed to improve its Moody's adjusted EBITA margin to 9.2%, from 6.6% in fiscal 2025 (ended in September) and just 0.7% in fiscal 2024. All divisions, especially Gas Services, increased their operating results, and overall higher profitability was achieved despite continued operating losses (company-defined, before special items) in the wind energy division Siemens Gamesa Renewable Energy SAU (Siemens Gamesa). Losses have, however, been reduced significantly and are getting closer to break even now.

On 23 April, Siemens Energy increased its full-year outlook on the back of strong Q2 results. It expects further improvements in all its divisions, with now 14%-16% revenue growth (previously 11%-13%) and a company-defined profit margin of 10%-12% (previously 9%-11%, compared to 6% in 2025). The company reiterated its expectation for Siemens Gamesa to reach break-even, which will be a key lever for improvement. Siemens Energy's expectation is supported by the company's strong order intake of €35 billion in the first half of 2026 (book-to-bill of 1.8x), leading to a very sizeable order backlog of €154 billion at the end of March 2026, which already covers around 93% of its revenues expected for 2026, and around 79% of revenues expected for 2027.

Siemens Energy's leverage metrics improved further to 0.9x debt/EBITDA as of March (1.2x in 2025), which is very low, even for a Baa1 rating. We expect that leverage will remain below 1x, considering expected EBITDA growth and strongly positive free cash flow generation. In 2025, the company generated around €3.4 billion free cash flow (Moody's adjusted, after dividends and taxes), and we expect around €6 billion for 2026. Our expectation is consistent with the company's revised free cash flow expectation of around €8 billion (previously €4 billion – €5 billion), before dividends and taxes.

On the back of its strong performance and high free cash flow generation, the company accelerated its

activities under its existing three-year share buyback program of up to €6 billion until 2028. After completing the first €2.0 billion tranche, the company expects another up to €1.0 billion by the end of September this year. Including dividends of €0.6 billion, significantly higher shareholder distributions of up to €3.6 billion are acceptable even for a higher rating, as long as they can be financed with continued strong free cash flows, leverage remains modest and liquidity remains excellent.

Siemens Energy's Baa1 long-term issuer rating reflects its leading positions in the wind turbine, gas turbine and electricity network markets, with broad geographic and product offering; positive long-term market fundamentals from decarbonization trends and growing energy demand; and good and improving revenue visibility supported by its very high order backlog (€154 billion as of March 2026) for new projects and service contracts. The rating also reflects the company's conservative financial policy, targeting a strong investment grade rating, and excellent liquidity profile.

Conversely the rating is constrained by the challenging market environment in the wind turbine business, with structural changes, pricing pressure and operational challenges; the dependence on regional demand cycles and regulation; the need for ongoing investments to improve technology efficiency and product offerings to remain competitive; history of volatile earnings and cash flow; and project execution risks associated with wind turbines, which has been heavily loss-making over the last four years (2022-25), and high volume of bank guarantees that support Siemens Energy's large and growing order book.

LIQUIDITY

Siemens Energy's liquidity is excellent, free cash flow generation is expected to be meaningfully positive, supported by high FFO generation and positive working capital effects, and despite increasing capital spending. A significant liquidity buffer is, however, needed, because Siemens Energy's liquidity is highly dependent on customer advance payments and the availability of guarantees from banks or governments.

Total liquidity sources are around €20 billion. At the end of March 2026, Siemens Energy had €11.7 billion cash (of which around €100 million were restricted) as well as a €4 billion undrawn RCF due in February 2030. The RCF is not limited by financial covenants. We also expect the company to generate around €4.5 billion cash from operations in the next four quarters.

Cash uses amount to around €10 billion over the next four quarters, mainly comprising capital expenditures (almost €3 billion, including leases) and our standard working cash assumption (3% of total sales, around €1.4 billion). There are only minor short-term debt maturities (€1.2 billion as of March 2026). Given the high free cash flow generation, we expect increasing dividends to be paid early next year (nearly €2 billion, including minority dividends) and continued share buybacks of around €3 billion. Especially share buybacks are discretionary by nature and will unlikely become a drag to Siemens Energy's liquidity profile.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

We would consider upgrading Siemens Energy if the company managed to turn around Siemens Gamesa and build a track record of profitable growth, moderate leverage and positive free cash flows.

An upgrade would also require the maintenance of an excellent liquidity profile, including continued coverage of negative working capital with cash on hand. More specifically, an upgrade would require on a sustainable basis:

EBITA margins (Moody's adjusted) to exceed 10%

Debt/EBITDA to remain below 1.5x

We would consider downgrading Siemens Energy if the company failed to turn around Siemens Gamesa whilst performance of the other divisions weakened. A downgrade could also be driven if Siemens Energy's free cash flow generation weakened and liquidity deteriorated meaningfully.

More specifically, a downgrade could be driven by:

EBITA margins (Moody's adjusted) failed to exceed 6%

Debt/EBITDA exceeded 2.5x

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Manufacturing published in September 2025 and available at https://ratings.moodys.com/rmc-documents/450331. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

The scorecard-indicated outcome for LTM March 2026 is A2 and on a 12-18 month forward-looking basis A1. The difference of two notches (historical outcome) and three notches (forward view) is explained by the historic volatile and weak profitability.

COMPANY PROFILE

Headquartered in Munich, Germany, Siemens Energy is a globally leading manufacturer of energy technologies. The company has a history of more than 150 years and became independent with the spin-off from Siemens Aktiengesellschaft in 2020. In fiscal year ending September 2025, the company generated revenues of €39.1 billion, of which around half came from the EMEA region, 30% from the Americas and the remainder from APAC.

The company operates in four distinct segments, Gas Services (manufacturing of gas-fired power plants and related maintenance services), Siemens Gamesa (onshore and off-shore wind turbines), Grid Technologies (electricity transmission and distribution network technologies, transformers and storage technologies) and Transformation of Industry (solutions for industrial customers to increase energy efficiency, electrification as well as production and use of hydrogen).

At the end of September 2025, the company employed around 101,000 employees and has been present in more than 90 countries globally. Siemens Energy is publicly listed and had a market capitalization of €139 billion (as of 29 May 2026). Its shareholder structure is broadly diversified, with Siemens Aktiengesellschaft being its largest shareholder (5.5% as of 2 April 2026).

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website https://ratings.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the UK and is(are) endorsed for use in the UK in accordance with the UK CRA Regulation.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

Matthias Heck, CFA
VP - Senior Credit Officer

Stanislas Duquesnoy
Associate Managing Director

Releasing Office:
Moody's Deutschland GmbH
An der Welle 5
Frankfurt am Main, 60322
Germany
JOURNALISTS: 44 20 7772 5456
Client Service: 44 20 7772 5454

© 2026 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE LEGAL, COMPLIANCE, INVESTMENT, FINANCIAL OR OTHER PROFESSIONAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES

OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS**,** ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS**,** ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating or assessment is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating or assessment process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating or assessment assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any

person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.ir.moodys.com under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V, I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., Moody's Local PA Calificadora de Riesgo S.A., Moody's Local CR Calificadora de Riesgo S.A., Moody's Local ES S.A. de CV Clasificadora de Riesgo, Moody's Local RD Sociedad Calificadora de Riesgo S.R.L. and Moody's Local GT S.A.(collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. EU: In the European Union, each of Moody's Deutschland GmbH and Moody's France SAS provide services as an external reviewer in accordance with the applicable requirements of the EU Green Bond Regulation. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.