

Leading the Energy Transition

Christian Bruch, CEO of Siemens Energy
dbAccess European Champions Conference 2024
Frankfurt, May 22, 2024



Disclaimer



INFORMATION AND FORWARD-LOOKING STATEMENTS This document contains statements related to our future business and financial performance, and future events or developments involving Siemens Energy that may constitute forward-looking statements. These statements may be identified by words such as “expect,” “look forward to,” “anticipate” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “project,” or words of similar meaning. We may also make forward-looking statements in other reports, prospectuses, in presentations, in material delivered to shareholders, and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens Energy’s management, of which many are beyond Siemens Energy’s control. These are subject to a number of risks, uncertainties, and other factors, including, but not limited to, those described in disclosures, in particular in the chapter “Report on expected developments and associated material opportunities and risks” in the Annual Report. Should one or more of these risks or uncertainties materialize, should acts of force majeure, such as pandemics, occur, or should underlying expectations including future events occur at a later date or not at all, or should assumptions prove incorrect, Siemens Energy’s actual results, performance, or achievements may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens Energy neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated. This document includes supplemental financial measures – that are not clearly defined in the applicable financial reporting framework – and that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens Energy’s net assets and financial position or results of operations as presented in accordance with the applicable financial reporting framework in its consolidated financial statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Siemens Energy is a global leader in the energy business

~ 1/6

of global electricity generation is based on our technology

98,750

employees work as a team to energize society¹

€31 bn

revenues in FY2023

We are present in

> 90 countries

We invest around

€1 bn annually in research and development

¹ Number of employees as of March 31, 2024
May 2024



Our mission ...

To transform the world of energy by supporting our customers on their path towards decarbonization

... and what we are doing

We have been changing the shape of the company to capitalize on the energy transition

Operational improvements introduced, including the new group structure, have been playing out **across Gas Services, Grid Technologies and Transformation of Industry, but not yet at Siemens Gamesa**

We will accelerate our journey focusing on three priorities:

- Deliver on profitable growth
- Fix the wind business
- Maintain solid financial foundation

We have been changing the shape of the company to capitalize on the opportunities of the energy transition & to reduce the risks

Capitalizing on opportunities

1 Increasing demand

- Emerging markets with strong electrification growth
- Governmental investment programs

2 Adjusted policy frameworks

- Frameworks to support transition (IRA, EU Wind)
- Further decarbonization drive (e.g., carbon pricing)

3 Sensitivity to security of supply

- Need for fuel-flexible generation
- Pressure on grid stability

Managing risks

1 Macroeconomic factors

- Persistent inflation
- High interest rates
- Recession risks and high public debt

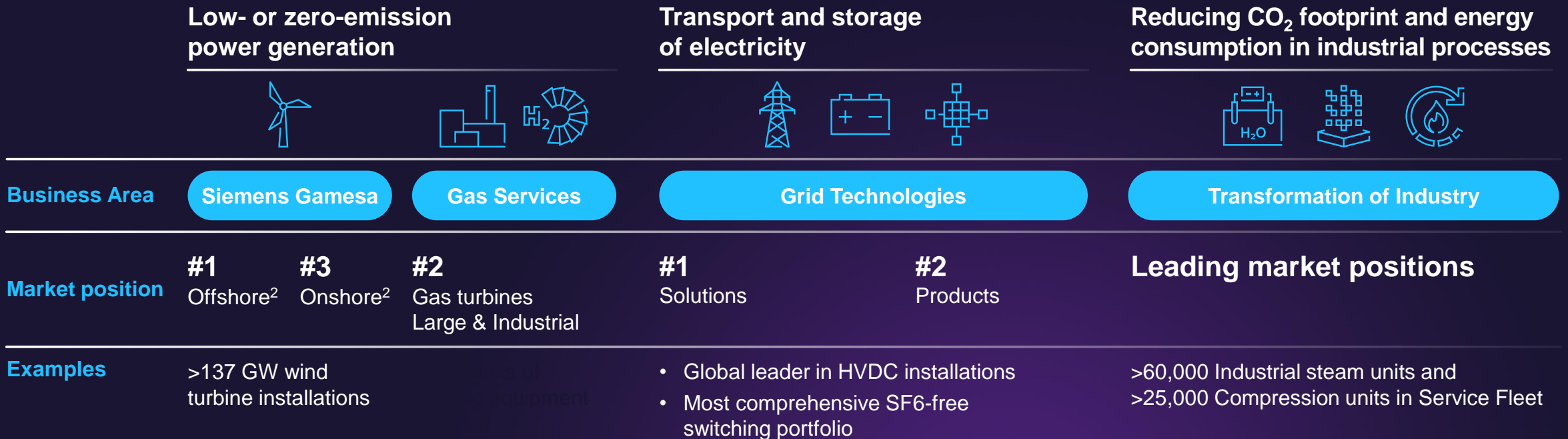
2 Geopolitical conflicts

- Expansion of Middle East conflict
- Escalation of war in Ukraine

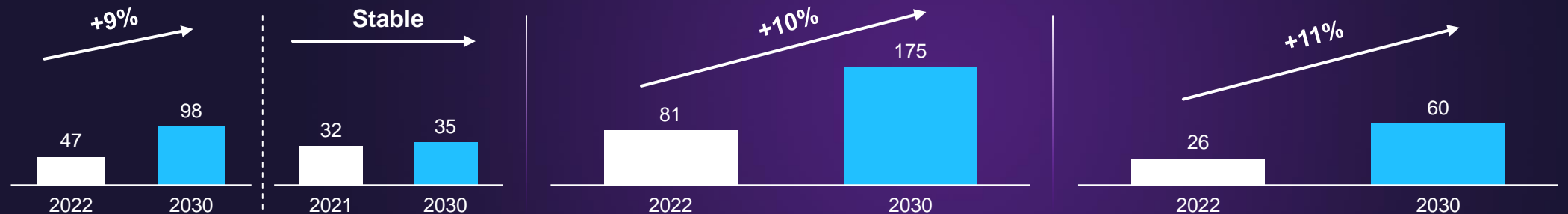
3 Supply chain constraints

- Demand-supply anomalies (esp. minerals)
- Industry bottlenecks (e.g., jack-up vessels)

We serve our customers with a clear company structure along the entire energy value chain



Market growth¹
(CAGR in GW for wind and in €bn for the other projections)

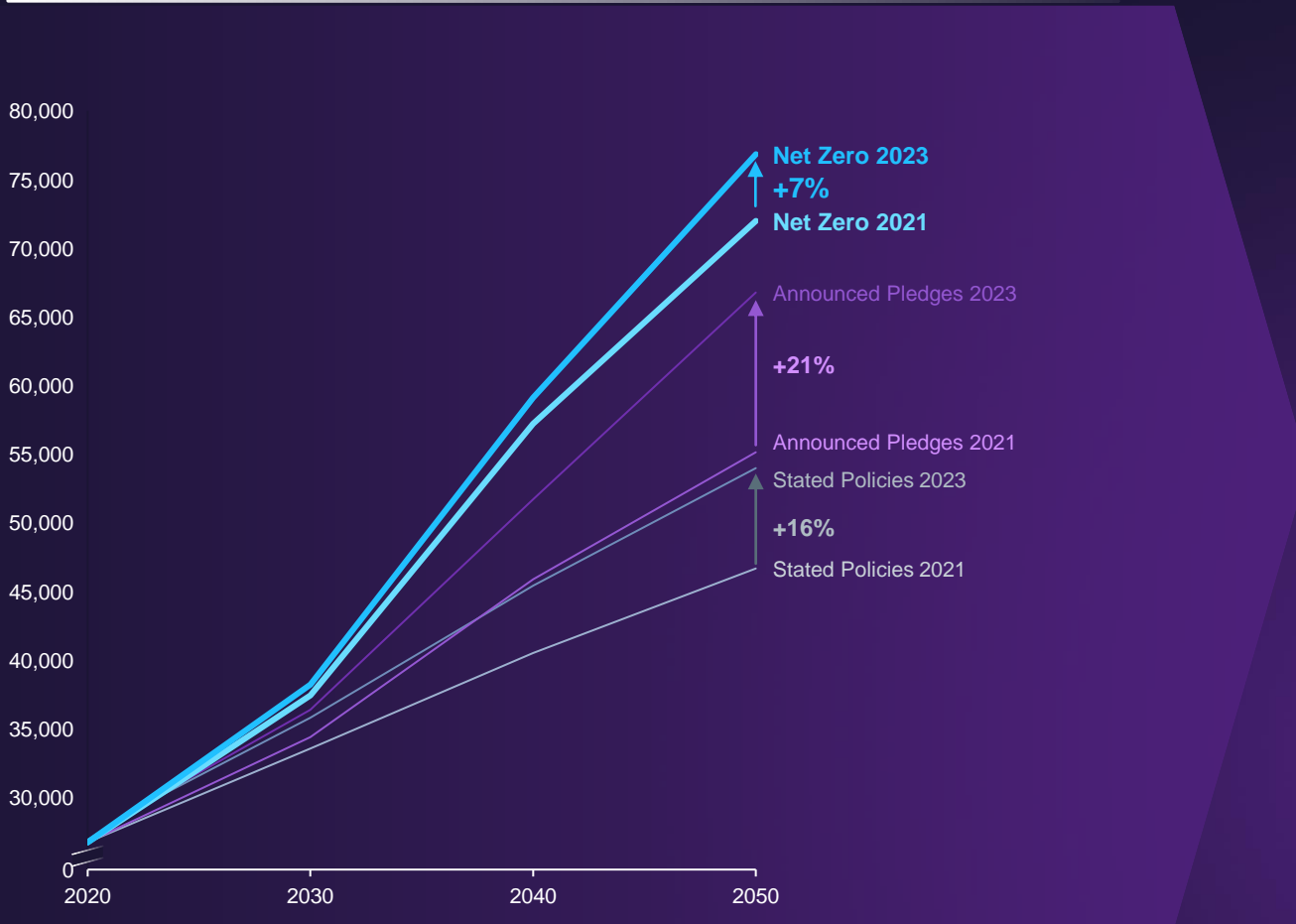


¹ Wind market based on WoodMac Global Wind Power Market Outlook update Q3 2023; excl. China; gas turbine, transmission and industrial market based on internal market assessment ² Market position related to cumulative installed fleet exc. China as of FY 2023

Deliver on profitable growth

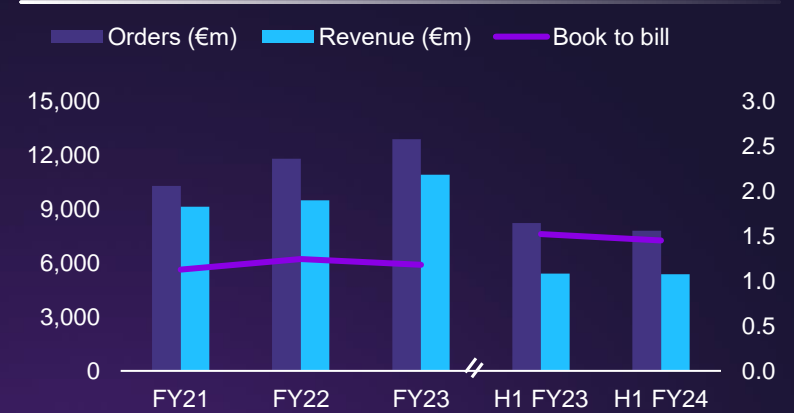
Higher than expected electricity growth is driving profitable growth

Global electricity generation scenarios 2021 vs. 2023 (TWh)

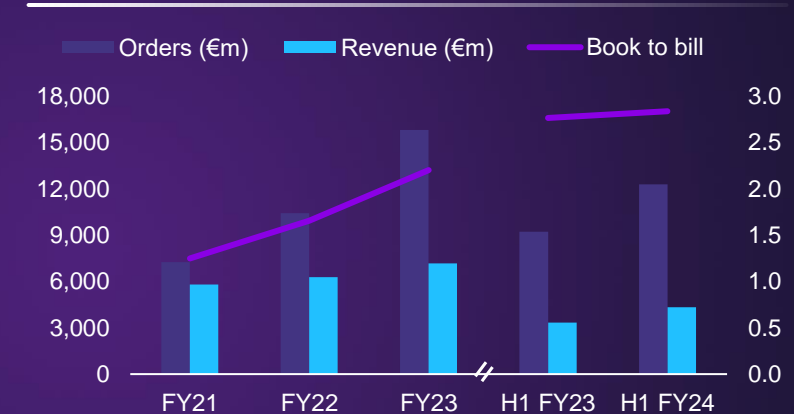


Source: IEA WEO 2021 / 2023
May 2024

Gas Services



Grid Technologies



Fix the wind business

Measures in implementation to secure turnaround at Siemens Gamesa ...

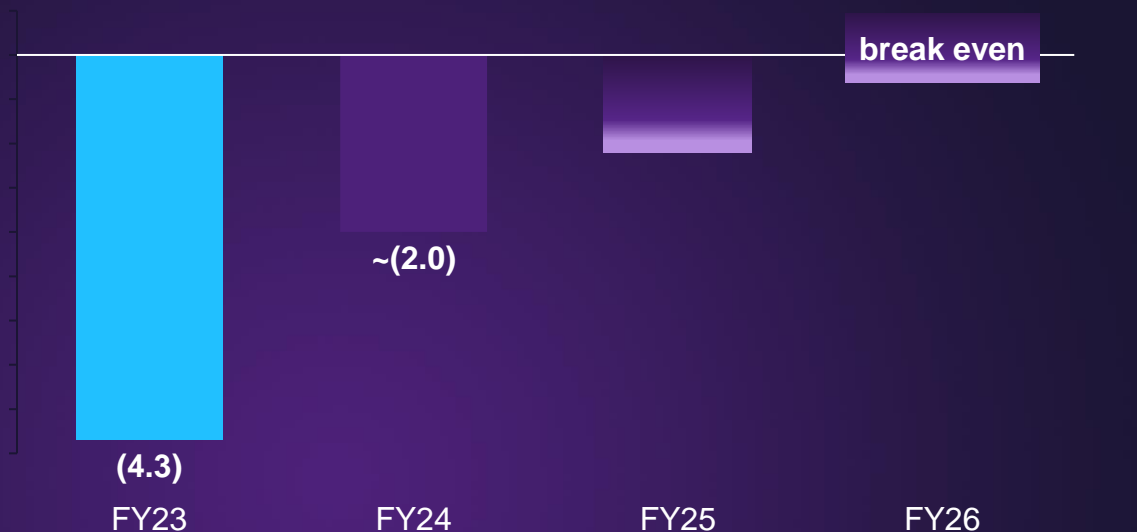
Step plan ...

- 1 Simplify** product portfolio
 - Significant reduction of Onshore variants
 - Focus on core markets
 - Offshore focus on SG 14 236
- 2 Optimize** footprint & operations
 - Offshore to increase output significantly
 - Focus on countries with supportive regulation
 - Exit non-core activities
- 3 Strengthen** processes & control
 - Integration and centralization of functions to deliver €300m of synergies

... to reach break even in FY26

Turnaround path Siemens Gamesa

Profit before SI (€bn)



Fix the wind business

... with a clear way forward to return to profitability

Onshore

Stabilizing 4.X and 5.X platforms and focus on core markets

- No new technical findings and no material change to cost assumptions related to quality topics
 - Europe and US as core markets to be addressed by revised 4.X and 5.X platforms
 - Sales activity for 4.X in Europe to resume by end of FY24
 - Optimization of manufacturing footprint ongoing
-

Offshore

Building on our leading market position to deliver profitable growth

- Ongoing ramp-up activities with improvement made in Hull; all other facilities in line
 - SG 14 MW to be the volume product until the end of the decade
-

New organization

Reduced hierarchical layers and clear business accountability

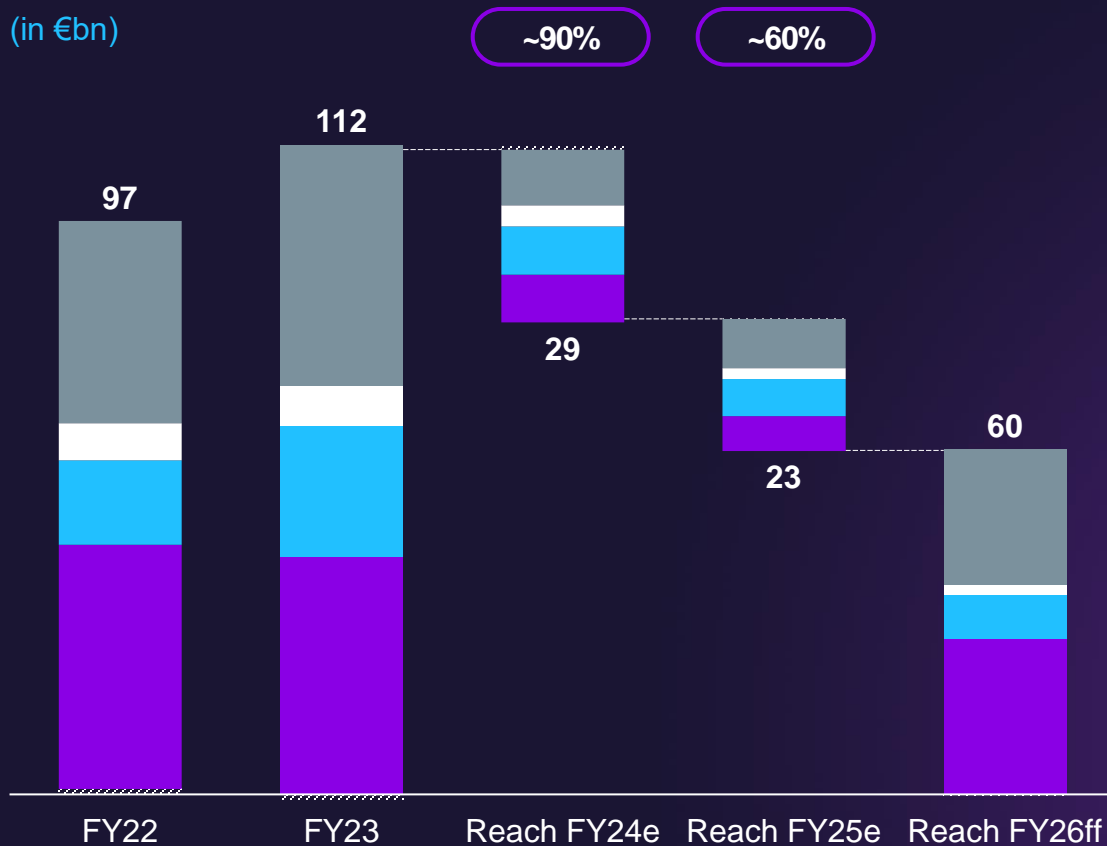
- Streamlining of the organization in line with Siemens Energy principles
- Integrate service and new unit business with a focus on an enhanced client value proposition
- Corporate function integration with Siemens Energy

Maintain solid financial foundation

Order backlog as a source of strength and resilience

Order backlog

(in €bn)



Backlog project margin



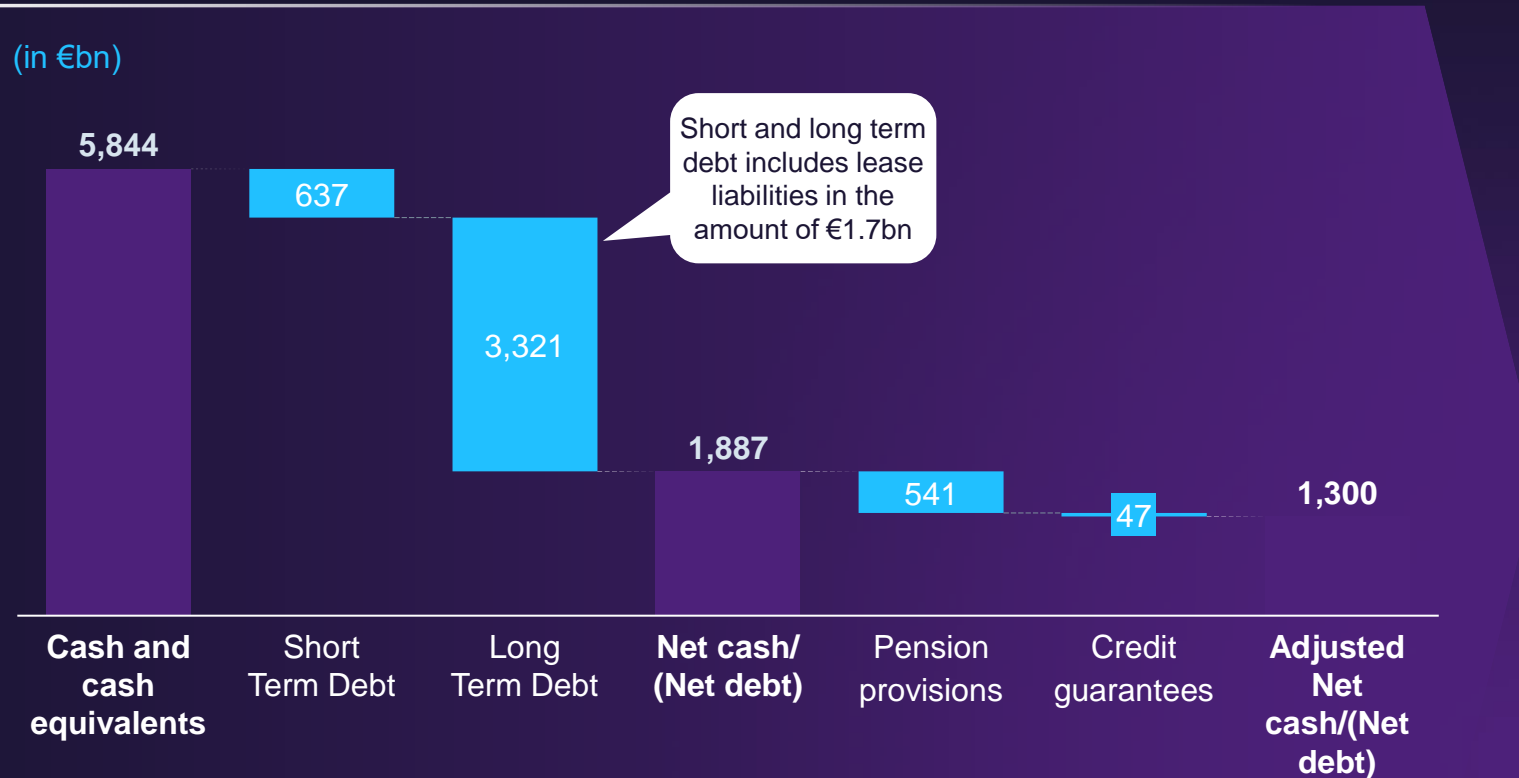
- **Selective growth strategy and operational excellence** in former GP businesses
- Margin profile **supporting mid-term targets**
- Protection through **price escalation clauses**
- Clear **visibility on Siemens Gamesa legacy backlog execution**
- Growth in new units supporting **rejuvenation of serviced fleet**

% of respective year revenues SG TI GT GS

Maintain solid financial foundation

Net cash position expanded during H1 FY24

Net cash/(Net debt) as of March 31, 2024 (in €m)



Investment grade credit profile

- Strong balance sheet with targeted **net cash position in FY24**
- Return to structurally positive cash generation by FY25
- Strong liquidity and healthy debt maturity profile
- Good visibility on margin recovery path given order book
- Prudent financial policies

Siemens Energy: €9.8bn liquidity available (€5.8bn cash, €4.0bn undrawn facilities)

¹ Includes mainly paid income tax, interest paid, minority dividends, purchase of treasury shares

Financial framework

A long-term plan for value creation

FY24 guidance and FY26 targets

	FY24 guidance		FY26 targets	
	Revenue growth ³	Profit margin before SI ¹	Revenue CAGR ⁴	Margin reported ¹
Gas Services	(2) – 0%	9 – 11%	Flat	10 – 12%
Grid Technologies	32 – 34%	8 – 10%	Low double digit	9 – 11%
Transformation of Industry	14 – 16%	5 – 7%	High single digit	7 – 9%
Siemens Gamesa	10 – 12%	around neg. €2.0bn	Low single digit	Break-even ²
Siemens Energy	10 – 12%	(1) – 1%	Mid single digit	5 – 7%
Net income		up to €1.0bn incl. gains from disposals		€1.0 – 1.5bn
Free cash flow pre-tax ⁵		up to pos. €1bn		€1.0 – 2.0bn (cumulative ⁶)
Proceeds from disposals		Around pos. €3bn		

This outlook excludes charges related to legal and regulatory matters.

¹ 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 | ² Break-even target for SG before special items | ³ Comparable revenue growth: Excluding currency translation and portfolio effects | ⁴ Compound annual revenue growth rate (FY23-based); MSD: Mid single digit | ⁵ Free cash flow pre-tax as operating cashflow and additions to intangible assets and PPE less Income taxes paid | ⁶ Cumulative free cash flow pre-tax FY24 – 26 | ⁷ Return of capital employed as net operating profit after tax (NOPAT) over capital employed (Sum of adj. net debt and equity) | ⁸ Adj. net debt as sum of debt, provisions for pensions and similar obligations and credit guarantees less cash and cash equivalents | ⁹ IG: Investment grade | ¹⁰ Pay-out based on the group's net income attributable to shareholders of Siemens Energy AG. Net income may be adjusted for extraordinary non-cash effects

Group targets FY28

MSD	Revenue CAGR ⁴
≥8%	Profit margin ¹ Long-term profitability
>15%	ROCE ⁷ Strong capital efficiency
IG	Adj. net debt ⁸ Commensurate with IG ⁹ profile
40 – 60%	Dividend policy ¹⁰ Stable shareholder return

ESG

On track to meet and exceed targets

Our performance in FY23 vs. our CMD targets

Decarbonization

Suppliers

-30% GHG emissions per € spent by 2030
FY23 performance: -17% vs. 2018 ✓

Own Operations

Climate neutral by 2030
FY23 performance: -59% vs. 2019 ✓

Customers

-28% GHG emissions from use of sold products by 2030
FY23 performance: -27% vs. 2019 ✓

Safety

Zero Harm

Achieve Zero Harm and become the leader in our industry

Evolution of our ratings since CMD 2022



 SUSTAINALYTICS Low risk rating: 13.6 

 ISS ESG B-prime 

 MSCI A 

 FTSE Russell Rating 3.9 

 ecovadis Gold (75/100) 

 CDP B¹ 

Note: Results as of October 2023 and refer to SE w/o SG | 1 CDP FY23 results available in January 2024


May 2024

Key messages



Deliver
on profitable growth

Excellent turnaround track-record and upgraded margin expectations for our former GP businesses



Fix
the wind business

Continuous strong demand driven by energy transition acts as a catalyst for profitable growth



Maintain
solid financial foundations

Defined path and action plan to reach break even at Siemens Gamesa in FY26

Prudent resource allocation with selective investments geared towards growth or customer requirements

Strong commitment to investment grade credit profile underlined by FY24 net cash target

Long-term targets in place to deliver sustainable shareholder value creation

Appendix

Gas Services

Integral to all energy transition scenarios

We enable reliable, affordable & sustainable energy

- Large gas, steam turbines and generators (100 MW – 600 MW)
- Industrial gas turbines and heat pumps (4 MW – 100 MW)
- Service offering of modernization, decarbonization and digitalization

... being a key contributor to the energy transition

- We decarbonize gas via green fuels / H₂ and carbon capture
- We balance fluctuating renewables via flexible gas capacity
- We reduce emissions via coal-to-gas shift and efficiency increase
- We leverage the installed fleet with our holistic service offering

Key facts & figures for FY23

Market Position



Revenue

New Units
38%



Service
62%

Profit margin before SI

9.5%

Order Backlog

€41bn

Grid Technologies

The profitable growth engine for the global energy transition

We enable a reliable, sustainable and digital grid

- HVDC and HVAC efficient transmission
- Sustainable switchgear and transformers
- Grid stabilization applications
- Grid automation and digitalization

Being the backbone of the energy transition

- We efficiently connect renewable power to the grid
- We enable a resilient power grid
- We commit to decarbonization
- We support manage an increasingly complex grid

Key facts & figures for FY23

Market Position¹



Revenue

Products
56%



Solutions
37%
Service
7%

Profit margin before SI

7.5%

Order Backlog

€23bn

¹ Market position related to addressed market according to SE internal assessment for FY22, based on orders in €

Transformation of Industry

Key to decarbonize industrial processes

... by 3 main levers ...



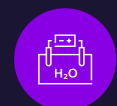
Energy Efficiency

increasing the efficiency of existing assets



Electrification

converting industrial processes from fossil fuels to electricity



Hydrogen

producing and transporting green hydrogen and clean fuels

... addressed through our 4 businesses

Industrial Steam Turbines and Generators (STG)

providing process steam and converting heat to electricity

Electrification, Automation and Digitalization (EAD)

electrifying industrial processes

Sustainable Energy Systems (SES)

manufacturing electrolyzer systems for hydrogen production

Compression (CP)

compressing, transporting and storing fuels across all decarbonization offerings

Key facts & figures for FY23

Market Position¹

#1 STG	#2 CP
#2 EAD	Top Pioneer SES

Revenue



Profit margin before SI²

5.1%

Order Backlog

€7.1bn

Installed Units

>85,000

¹ Market position related to addressed market according to SE internal assessment | ² SI = Special Items

Siemens Gamesa

A core player in the energy transition for over 40 years

We deliver fossil free electricity for businesses and households

- Onshore wind turbines up to 7 MW power rating and 170 m rotor
- Offshore wind turbines up to 15 MW¹ power rating and 236 m rotor
- Lifetime maintenance services including multibrand, asset optimization, spares and repairs and offshore logistics

Being an essential pillar of the energy transition

- 112 MWs Onshore fleet installed
- 24 MWs Offshore fleet installed
- 82 GW under service

Key facts & figures for FY23

Market Position²



Revenue

OF WTG
40%



ON WTG
37%
Service
23%

Installed fleet

137 GW

Order Backlog

€42bn

¹ With power boost

² Market position related to cumulative installed fleet exc. China as of FY 2023