

Leading the Energy Transition

Tim Holt, Member of the Executive Board

J.P. Morgan European Capital Goods Conference

June 8 & 9, 2023



Disclaimer

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Budget figures for FY23 were approved in Sep-22. The FY23 budget is not updated on a rolling basis and does not reflect any events and developments after the budget was approved; as such, budget figures are outdated and do not reflect nor may be treated to reflect the company’s current view and guidance regarding FY23, which prevails over the budget. Particularly, the budget does not reflect the events and developments in Q4 of FY22 or of Q1 FY23. For the company’s current guidance on FY23, please refer to the Q1 FY 23 earnings release published on 07-Feb-23.

Our vision

To become the most valued energy technology company

Key messages

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

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

Siemens Energy is now excellent positioned to benefit from these investments

We employ 5 key levers to create value for our stakeholders

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

Siemens Energy is a
**global leader in the
energy business**

~ 1/6

of global electricity generation
is based on our technology.

92,000

employees work as a team
to energize society.¹

We are present in

> 90 countries.

We invest around

€1bn annually in
research and development.

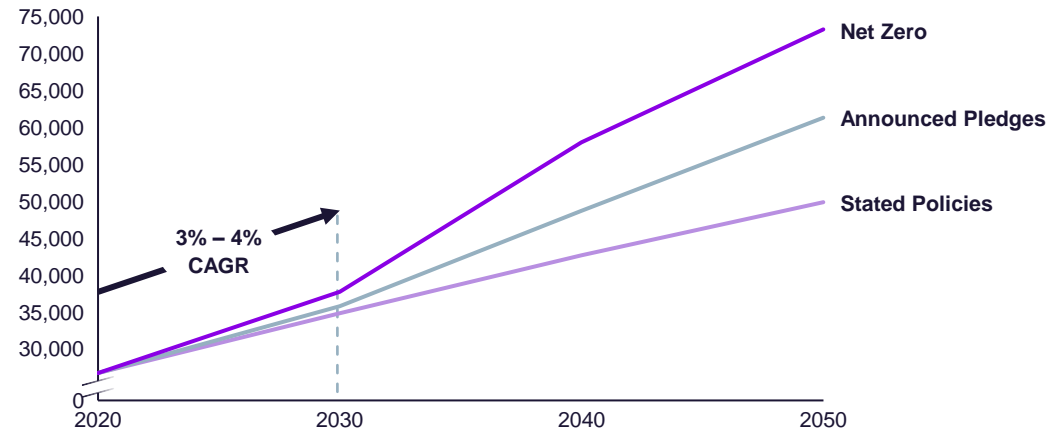
¹ Number of employees as of September 30, 2022

June 8 & 9, 2023

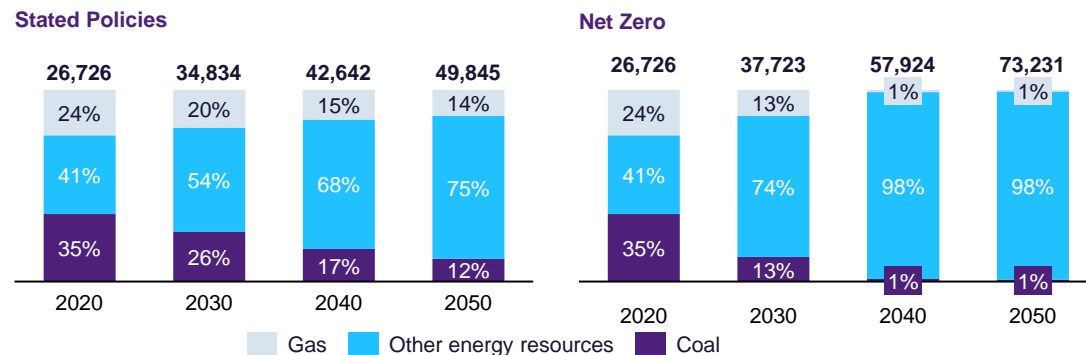


There are multiple scenarios how the electricity market will develop...

Global electricity generation scenarios (TWh)



Global electricity generation by source (TWh)¹




Source: IEA WEO 2022

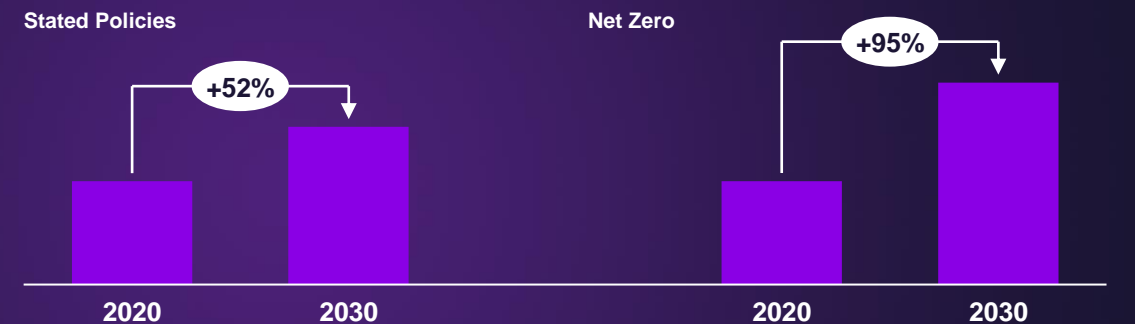
¹ Other energy includes: Hydro, Nuclear, Geothermal, Oil, Hydrogen based, Bioenergy

June 8 & 9, 2023

Massive growth in renewable generation

Growth until 2030		
Stated Policies	+146%	+300%
Announced Pledges	+211%	+382%
Net Zero	+320%	+653%

Electricity production capacity to grow continuously until 2030



Tim Holt – Member of the Executive Board

5

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... but all of them have common themes ...



Electricity production will grow faster than GDP

- Increasing electrification of industries
- New electrical consumers (data centers, e-mobility)
- Sector coupling



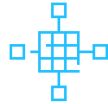
Production capacity will grow

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



Energy efficiency will be a competitive criteria across industries due to

- Higher cost
- Volatility of supply
- Regional differences



Grid investment will rise to unprecedented levels

- Sustainable modernization of an ageing grid
- Ensure grid reliability and resiliency of a complex network
- Safely connect an ever-increasing amount of renewable energy

... supported by accelerating change in boundary conditions



Inflation Reduction Act (IRA) – USA









Green Deal Industrial Plan for a Net Zero Age – EU

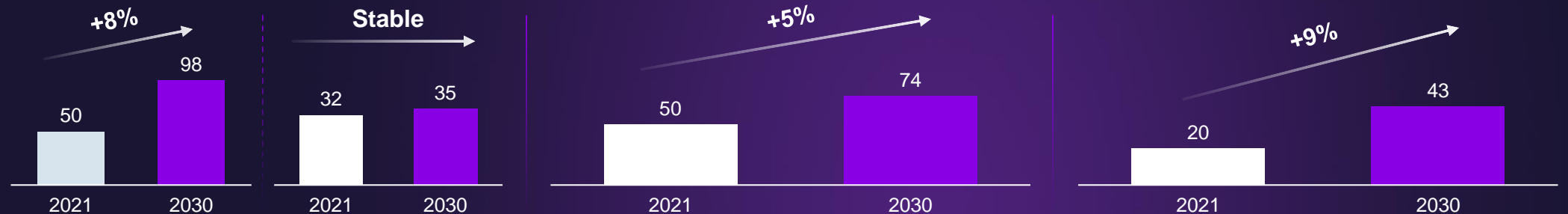
How does Siemens Energy benefit?

- Increasing demand for renewables (more wind projects)
- Grid investments taking off
- Gas-fired power plants to provide backbone of electricity grid
- Investments in decarbonization and electrification of industrial processes

We support our customers along the value chain ...

	Low- or zero-emission power generation		Transport and storage of electricity		Reducing CO ₂ footprint and energy consumption in industrial processes				
									
Business Area	Siemens Gamesa		Gas Services		Grid Technologies		Transformation of Industry		
Market position	#1 Offshore	#3 Onshore	#1 Gas turbines >10 MW ²	#1		Leading market positions			
Examples	>100 GW wind turbine installations		7,800 units of rotating equipment installed		<ul style="list-style-type: none"> Global leader in HVDC installations Most comprehensive SF6-free switching portfolio 		>60,000 Industrial steam units and >25,000 Compression units in Service Fleet		

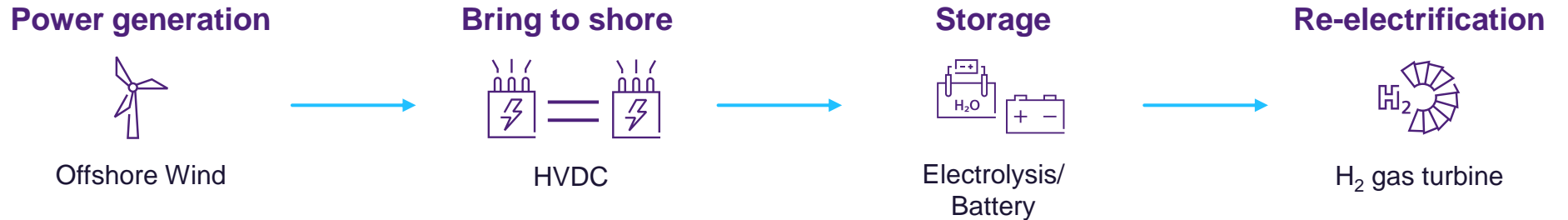
Market growth¹
(CAGR in GW for wind and in €bn for the other projections)



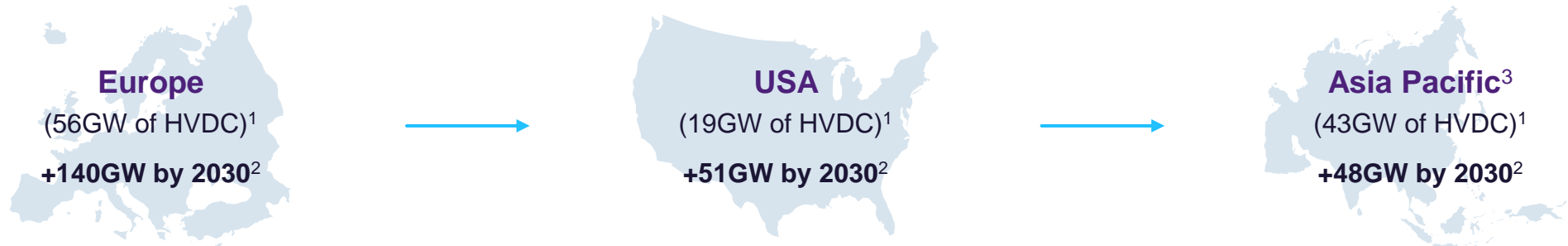
¹ Wind market based on WoodMac Global Wind Power Market Outlook update Q1 2023; excl. China; gas turbine, transmission and industrial market based on internal market assessment | ² Power generation applications in H1 FY22

... and connect the dots to drive benefits from being a global integrated energy technology company

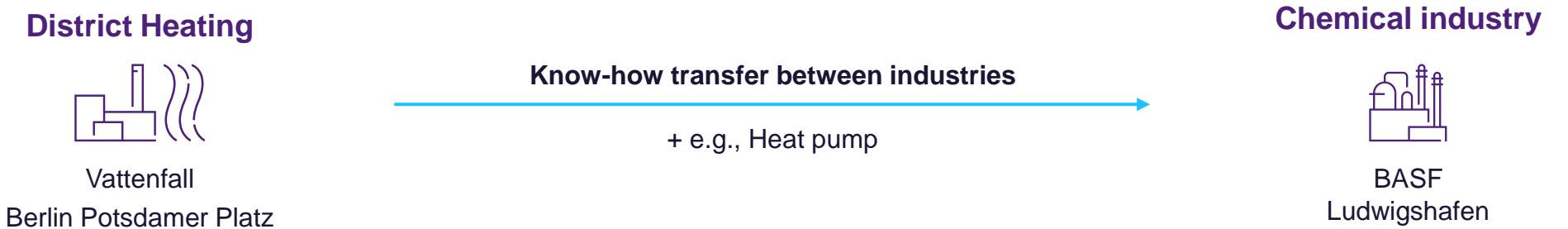
Connecting offerings



Connecting regions (e.g., Grid infrastructure)



Connecting industries



¹ Operating projects and projects that are under construction until 2021 | ² Project announcements with potential awards from 2022 until 2030, some projects will be operational past 2030

³ Excluding China

Siemens Energy to utilize 5 levers to drive value

01

New operating model

Increase customer focus, transparency and accountability

02

Gas Services

Monetize on installed base through service and decarbonization

03

Grid Technologies

Leverage market leadership to benefit from accelerating investments

04

Transformation of Industry

Decarbonize industrial sector through focus on hydrogen and Electrification, Automatization and Digitalization

05

Siemens Gamesa

Secure turnaround








New group structure

increases customer focus, transparency and accountability...

Siemens Energy

SE Executive Board

Reporting Segments

CEO	CFO	Gas Services	Grid Technologies	Transformation of Industry	Global Functions	Siemens Gamesa
						
Christian Bruch	Maria Ferraro	Karim Amin	Tim Holt	Anne-Laure de Chammard	Vinod Philip	Jochen Eickholt

...and our new operating model aims at

Clear Structures

Unified go to market

Operational excellence

Focused innovation

New operating model (since 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

Gas Services

Share of Siemens Energy total revenue



Revenue FY22

€9.5bn

Profit margin before SI (FY22)¹

6.5%

Service share²

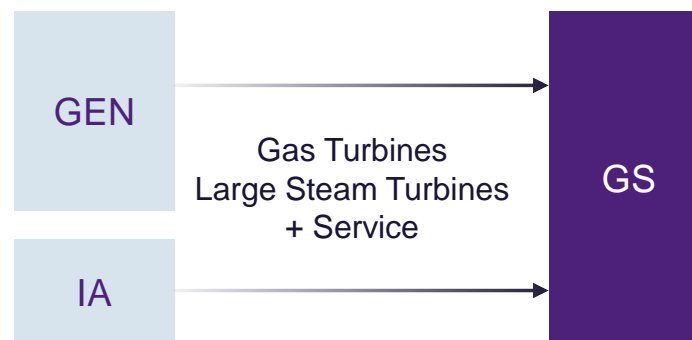
>60%

Order Backlog³

€41.0bn

Monetize on installed base through service and decarbonization

What has changed in the new group structure?



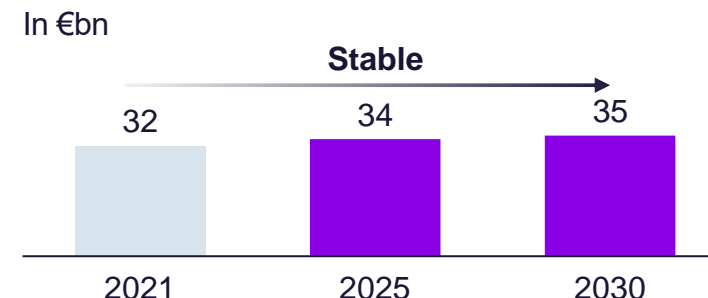
Portfolio Elements

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

Business Drivers

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

Addressable Market⁴



¹ FY2022 figures are presented on a comparable basis. Beginning of fiscal year 2023, prior-year figures have been adjusted due to a change in accounting policies regarding derivative financial instruments | ² in Q1 2023 | ³ as per the end of Q1 2023 | ⁴ SE estimates

Grid Technologies

Share of Siemens Energy total revenue¹



Revenue FY22

€6.3bn

Service share²

>6%

Profit margin before SI (FY22)¹

3.5%

Order Backlog³

€18.7bn

Leverage market leadership to benefit from accelerating investment

What has changed in the new group structure?



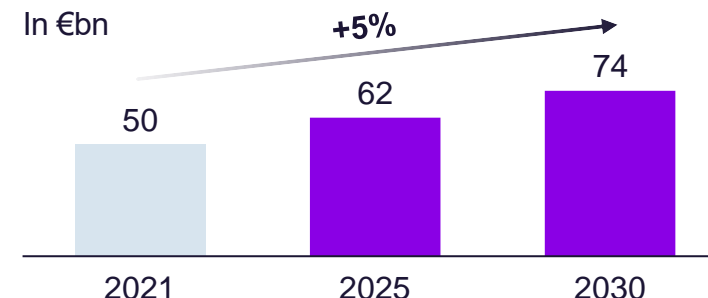
Portfolio Elements

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

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

Addressable Market⁴



¹ FY2022 figures are presented on a comparable basis. Beginning of fiscal year 2023, prior-year figures have been adjusted due to a change in accounting policies regarding derivative financial instruments | ² in Q1 2023 | ³ as per the end of Q1 2023 | ⁴ SE estimates

Transformation of Industry

Share of Siemens Energy total revenue



Revenue FY22

€4.1bn

Service share²

>40%

Profit margin before SI (FY22)¹

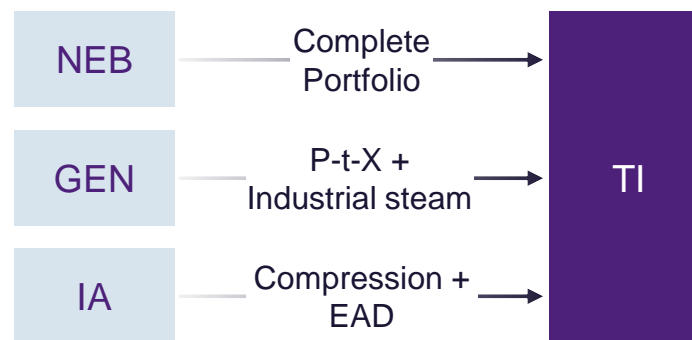
1.1%

Order Backlog³

€6.1bn

Decarbonize industrial sector through focus on hydrogen and EAD

What has changed in the new group structure?



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

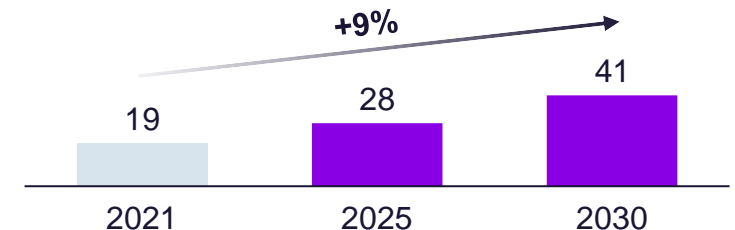
¹ FY2022 figures are presented on a comparable basis. Beginning of fiscal year 2023, prior-year figures have been adjusted due to a change in accounting policies regarding derivative financial instruments | ² in Q1 2023 | ³ as per the end of Q1 2023 | ⁴ SE estimates

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

Addressable Market⁴

In €bn



Siemens Gamesa

Share of Siemens Energy total revenue



Revenue FY22

€9.8bn

Service share¹

>20%

Profit margin before SI (FY22)

(5.9)%

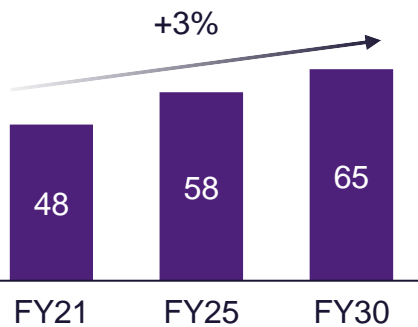
Order Backlog²

€33.7bn

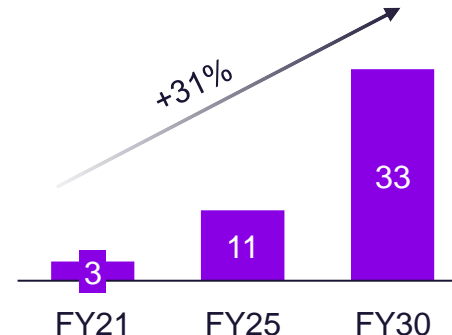
Secure turnaround

Wind market shows exceptional future growth

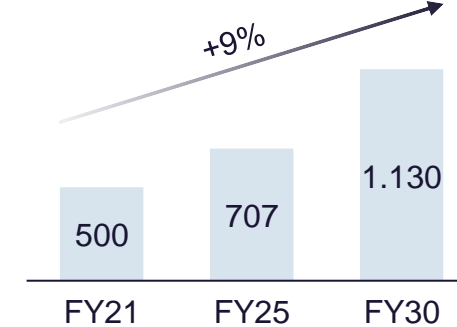
Annual global onshore wind installations³ (GW, excl. China)



Annual global offshore installations³ (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 Siemens Gamesa

¹ in Q1 2023 | ² as per the end of Q1 2023 | ³ WoodMac Global Wind Power Market Outlook update Q1 2023; excl. China

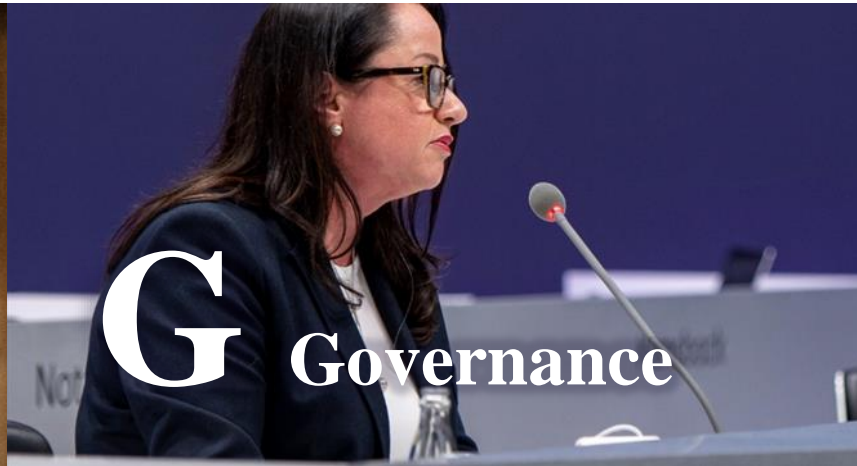
ESG is core to our activities and provides a business opportunity



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

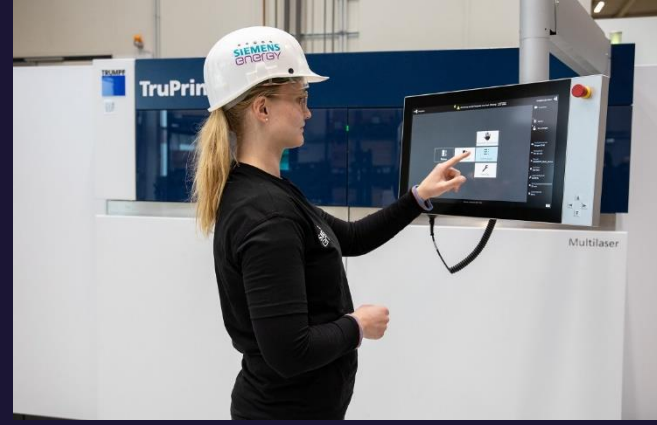
Recognition

Top 4%



B-





We energize society



Appendix

Key Messages Q2 FY23

Highlights / Lowlights

- Siemens Gamesa delisted; EGM called for resolution on capital reduction
- Successful refinancing: capital raise (~ €1.3bn), green bond (€1.5bn)
- Ongoing strong performance of former Gas and Power businesses
- Siemens Gamesa remedial actions in progress; operational challenges and quality issues continue to weigh on result

Market Environment

- Strong demand supported by boundary conditions (IRA in US and Net Zero Industry Act in Europe)
- Operating environment in wind industry still challenging

Siemens Energy FY23 Guidance adjusted

- Revenue: 10% to 12% comparable²; prev. 3% to 7%
- Profit margin before SI: around the low end of previous guidance range of 1% to 3%; prev. 1% to 3%
- Net loss: exceeding prior fiscal year's level of €712m by up to a low-triple-digit million € amount; prev. at prior year's reported level
- Free cash flow pre tax: positive up to a low triple-digit million € amount

¹ Prior year figures are presented on a comparable basis | ² comparable: excluding currency translation and portfolio effects

June 8 & 9, 2023

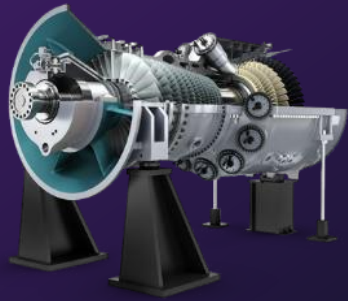
Q2 FY23 Financial Performance¹

- **Orders: +56.3%** comp.² at €12.3bn
- **Order backlog at new high of €102.0bn**
- **Revenue: +23.8%** comp.² at €8.0bn; **book-to-bill of 1.53**
- **Profit before SI: €41m** (Q2 FY22: neg. €49m)
- **Profit margin before SI: 0.5%** (Q2 FY22: neg. 0.7%)
- **FCF pre tax: neg. €294m** (Q2 FY22: neg. €351m)

Q2 FY23 Awards and Milestones

Power generation with low or zero emissions

Gas Services



One of Europe's most efficient gas-fired power plants with HL-class

With a maximum power generation efficiency of more than 64%, the Mintia plant will be the most efficient gas-fired power plant in Romania. It will have an electrical capacity of 1,700 megawatts and will replace a retired coal-fired power plant.

Siemens Gamesa



Green energy for more than one million UK homes

Firm order from Scottish Power Renewables for the supply of 95 units of its flagship SG 14-236 DD wind turbine for the East Anglia 3 wind power project in the North Sea off the east coast of England with a total capacity of 1.4 GW.

Transport and storage of energy

Grid Technologies



Connecting Italy's largest islands to the mainland

The consortium of SE and Italy's FATA was awarded to supply four HVDC converter stations for the "Tyrrhenian Link" project, a 970 km long power link. The order volume for Siemens Energy amounts to just under one billion euros.

Reducing the CO₂ footprint & energy consumption in industrial processes

Transformation of Industry



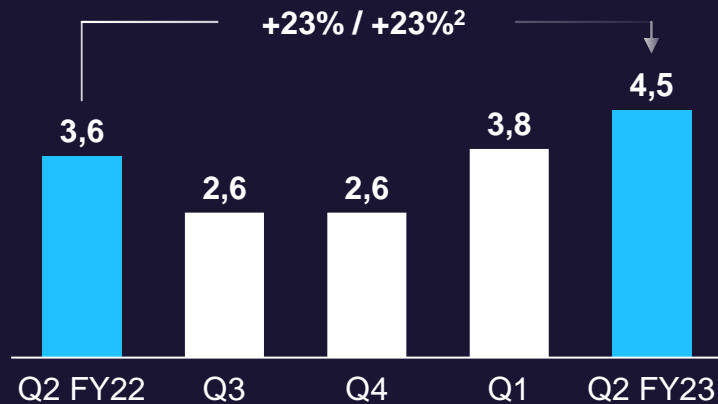
Blueprint for commercial carbon-neutral marine fuels production

At the heart of the FlagshipONE plant is a technology package from SE comprising four PEM electrolyzers with a total capacity of 70 MW, as well as the plant-wide electrification and automation systems, including innovative digitalization solutions, and the entire power distribution and compressor systems.

Gas Services: Strong Improvement Across all KPIs Q2 FY23¹

Orders

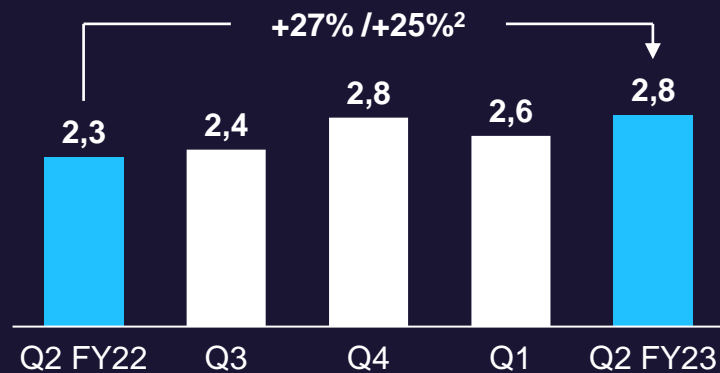
in €bn



- Substantial growth despite a relatively strong prior-year quarter
- Growth driven by demand in Europe, due to particular strong orders in Eastern Europe

Revenue

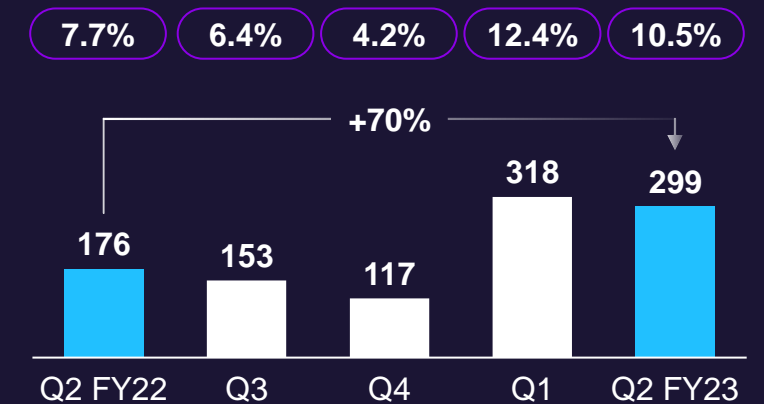
in €bn



- Substantial growth driven by new unit business

Profit before SI

in €m



- Sharp increase driven by higher revenue, an improved cost structure as well as a strong service contribution

¹ Prior year figures are presented on a comparable basis. Beginning of fiscal year 2023, prior-year figures have been adjusted due to a change in accounting policies regarding derivative financial instruments | ² xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal

June 8 & 9, 2023

X.X% Profit margin before Special Items

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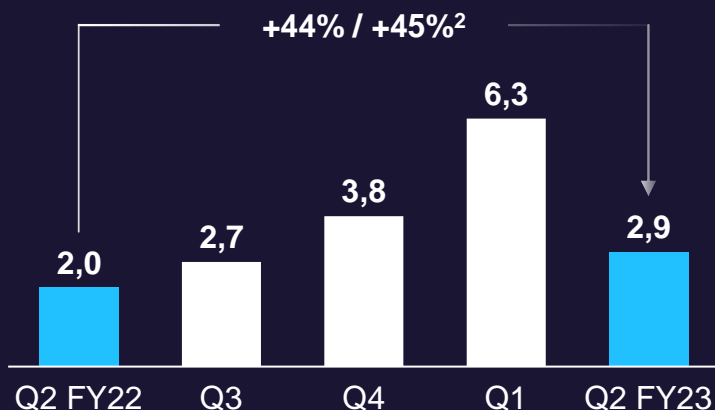
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Grid Technologies: Substantial Growth and Better Profitability

Q2 FY23¹

Orders

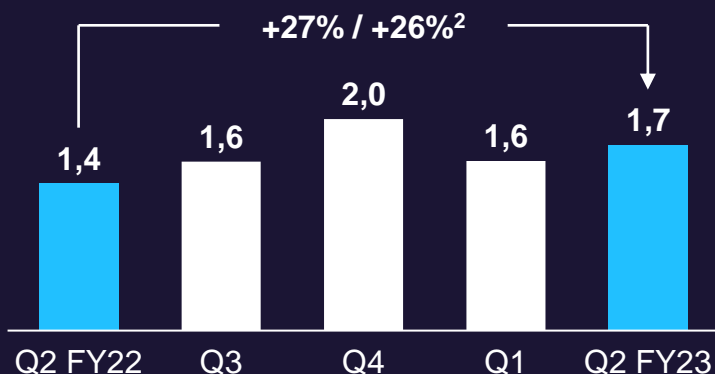
in €bn



- Continuous strong order momentum largely driven by GT's product business
- All regions showed growth with the strongest increase recorded in the USA

Revenue

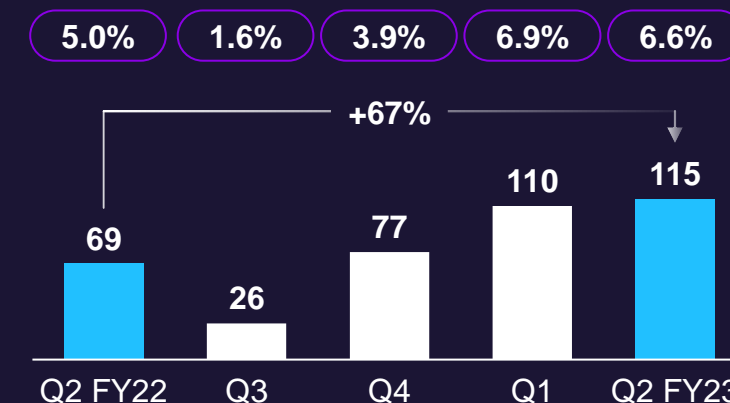
in €bn



- Substantial growth supported by all businesses on the back of the strong order intake in prior fiscal year

Profit before SI

in €m



- Sharp increase driven by higher revenue, better business mix and operational improvements
- Prior year quarter was burdened by impacts related to higher material and logistic costs

¹ Prior year figures are presented on a comparable basis | ² xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal

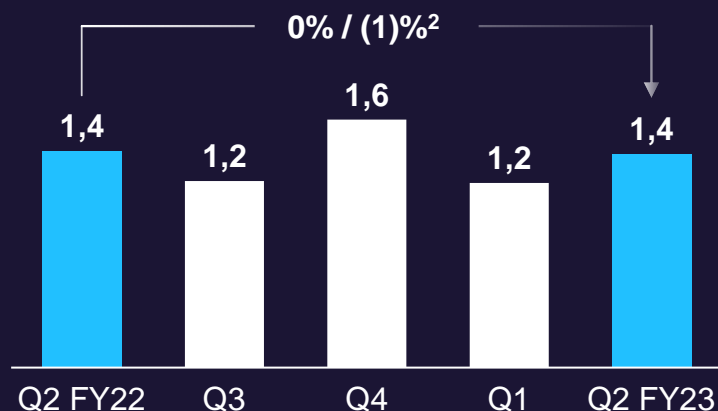
X.X% Profit margin before Special Items

Transformation of Industry: Strong Margin Progression Across all Businesses

Q2 FY23¹

Orders

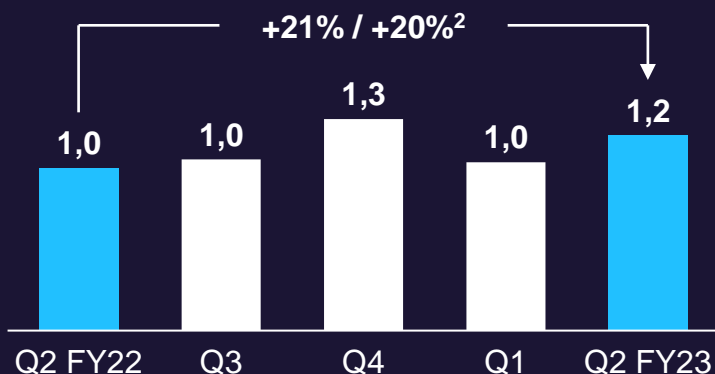
in €bn



- Slightly below the prior-year quarter due to a high basis of comparison particularly in the Electrification, Automation, Digitalization business

Revenue

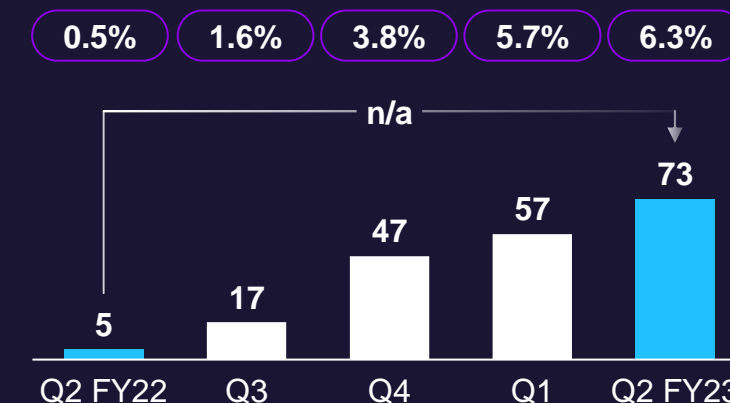
in €bn



- Double digit increase in all four independent businesses
- Substantial growth in service business

Profit before SI

in €m



- Sharp improvement driven by higher revenue, improved business mix and better cost position.
- Biggest improvements in Industrial Steam Turbines & Generators and Compression businesses

¹ Prior year figures are presented on a comparable basis | ² xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal

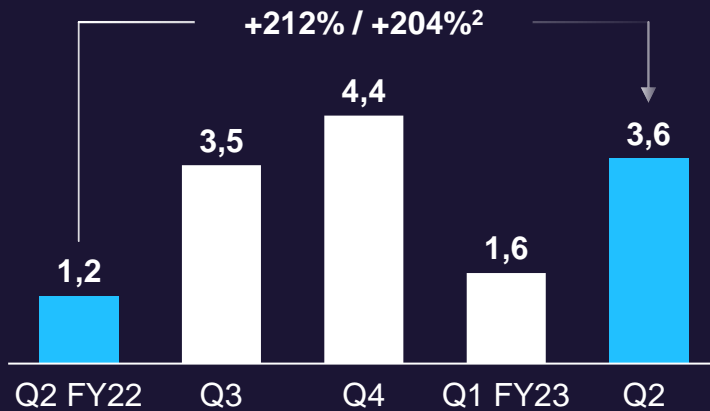
X.X% Profit margin before Special Items

Siemens Gamesa: Continuous Impact from Onerous Projects

Q2 FY23¹

Orders

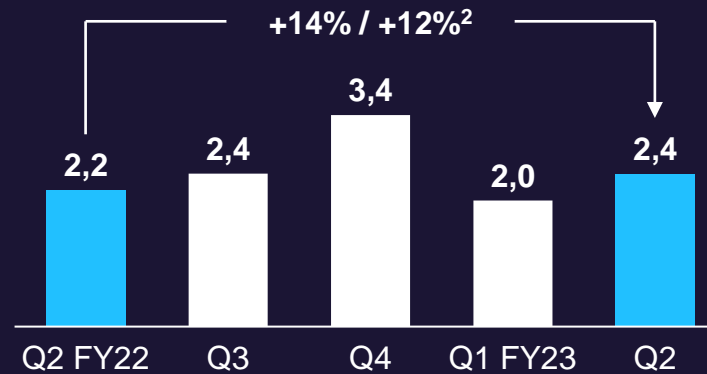
in €bn



- Sharp increase year-over-year driven by offshore (East Anglia 3 in UK)
- US largest contributor to onshore order intake
- Strict selectivity with focus on profitability and a balanced risk-reward contract profile

Revenue

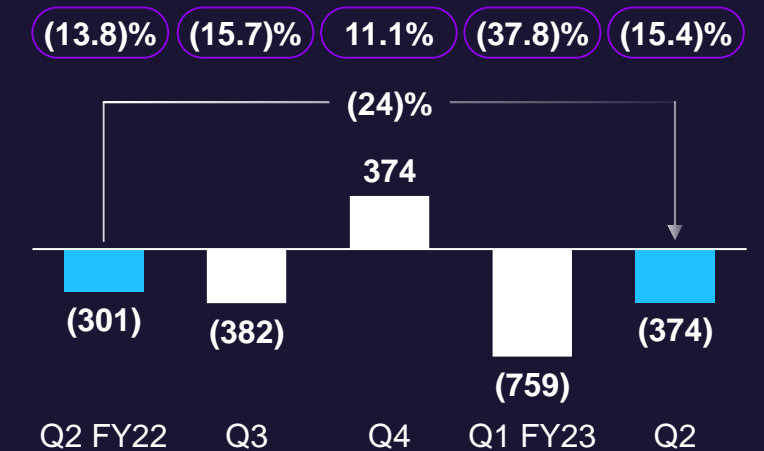
in €bn



- Significantly up supported by increases in all businesses (onshore, offshore, service)
- WTG revenue conversion impacted by ramp-up challenges in offshore including supply chain bottlenecks and labor shortages

Profit before SI

in €m



- Profit before SI continued to be burdened by impacts of inflation, challenges related to the supply chain and the ramp-up of the offshore activities as well as from the execution of onerous projects

¹ Prior year figures are presented on a comparable basis | 2 xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal

X.X% Profit margin before Special Items

Financial Outlook Adjusted

Fiscal Year 2023

Outlook FY23¹

Siemens Energy

Revenue Growth²

10 – 12% (prev. 3 - 7%)

Profit³ Margin before SI

around the low end of 1 – 3% (prev. 1 - 3%)

We expect a net loss exceeding prior fiscal year's level by up to a low-triple-digit million € amount. (prev. to be on prior fiscal year's reported level)

We expect positive free cash flow pre-tax up to a low triple-digit million € amount. (prev. free cash flow pre-tax to be positive)

Business Area Assumptions

Gas Services

Revenue Growth²

10 – 12% (prev. 0 - 4%)

Profit³ Margin before SI

9 – 11% (unchanged)

Grid Technologies

12 – 14% (prev. 5 - 9%)

6 – 8% (unchanged)

Transformation of Industry

8 – 10% (prev. 5 - 9%)

3 – 5% (unchanged)

Siemens Gamesa

6 – 10% (prev. n/a)

towards neg. 11% (prev. n/a)

¹ The outlook for Siemens Energy assumes no major negative financial impacts from COVID-19 or other pandemic-related events, no further deterioration in the supply chain and raw material cost environment, and excludes charges related to legal and regulatory matters | ² Excluding currency translation and portfolio effects | ³ Profit: Earnings before financial result, income taxes, amortization expenses related to intangible assets acquired in business combinations, and goodwill impairments