

Shareholder Letter Q4 FY2021

Siemens Energy Investor Relations

Dear shareholders,

September 30, 2021 marked the end of our first business year as an independent and listed company. On page 4 we show some of the highlights of the year such as our first AGM and our ascent into the DAX 30. As a company, we progressed on our journey and further progress will be required to fulfill our aspiration to become the most valuable energy technology company in the world.

This said, during the second half of the year we returned to growth in orders and revenue and through the year we raised profitability and drove cash flow to finish on a strong note.

Last Wednesday, our CEO Christian Bruch and our CFO Maria Ferraro, presented our fourth quarter and full year results for fiscal year 2021.

"I'm pleased with our first full fiscal year performance as a stand-alone company and we delivered a solid fourth quarter with strong orders and cash. The team did an excellent job and laid the foundation for our transformation in a challenging market environment. Looking forward, we will continue to focus on our plan to increase profitability which puts us on track to achieve our mid-term targets", said Christian Bruch.

Orders in the fourth quarter of fiscal year 2021 rose 30% to €9.1bn so that full year orders of €33bn exceeded full year revenue of €28.5bn, which means we finished the year with a **strong order backlog of €83.8bn** (up €5.3bn on the prior year). **Revenue in the fourth quarter grew by 7%** taking full year growth to 4%. During the quarter we incurred an **Adj. EBITA loss before Special Items (SI) of €46m** for a full year Adj. EBITA profit before SI of €661m, an improvement of €678m versus fiscal year 2020. Cash flow in the quarter remained strong and for the full year **free cash flow pre tax** exceeded our expectations set at the beginning of the year rising **39% to €1,358m**.

In light of the progress we have made, **Siemens Energy proposes a dividend of €0.10 per share** for fiscal year 2021.

Please take the time to read on, as we showcase our Transmission Division and share our targets for fiscal year 2022 on the following pages.

I wish you a merry Christmas with your families and loved ones and a happy new year. Stay healthy and confident during these challenging times.

Kind regards,



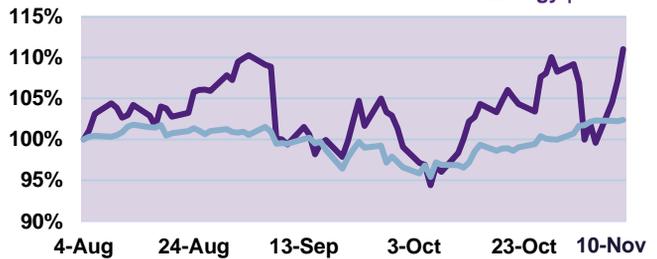
Michael Hagmann | Head of Investor Relations



Share Performance

August 4, 2021 – November 10, 2021

Siemens Energy | DAX



Siemens Energy +11% | DAX +2%

GE +6% | Baker Hughes +17% | Hitachi +15% | MHI (5)%

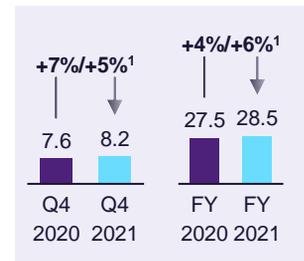
Key Financial Indicators

(in €bn, except where otherwise stated)

Orders



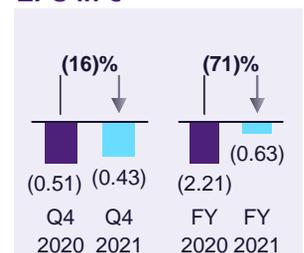
Revenue



Adj. EBITA Margin before SI



EPS in €



¹ xx% / xx% = nominal / comparable (excluding currency translation and portfolio effects)

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Siemens Energy Shareholder Letter

Siemens Energy Segments in Q4 FY2021



Gas and Power

Revenue: €5.4bn

Adj. EBITA before SI: €165m

Adj. EBITA Margin before SI: +3.1%



SGRE

Revenue: €2.9bn

Adj. EBITA before SI: €(-176)m

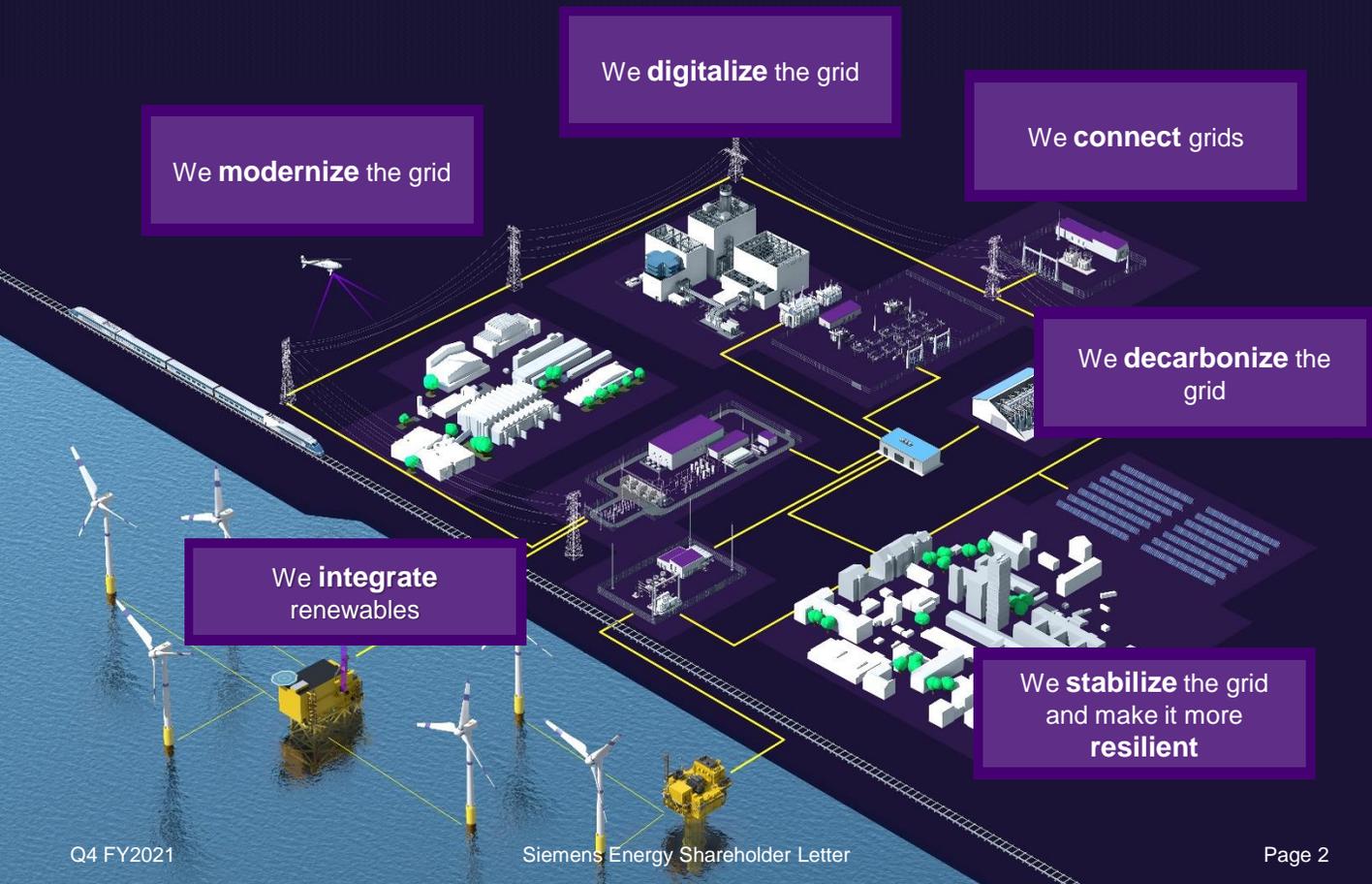
Adj. EBITA Margin before SI: (6.2)%

Transmission Grids – a bedrock of the Energy Transition

Our market-leading Transmission Division plays a vital role in an energy landscape which is characterized by **increasing energy demand**, **decentralization**, **decarbonization**, and **digitalization**. These four challenges are driven by the need to achieve society's net zero ambitions, affordably and without impacting security of supply.

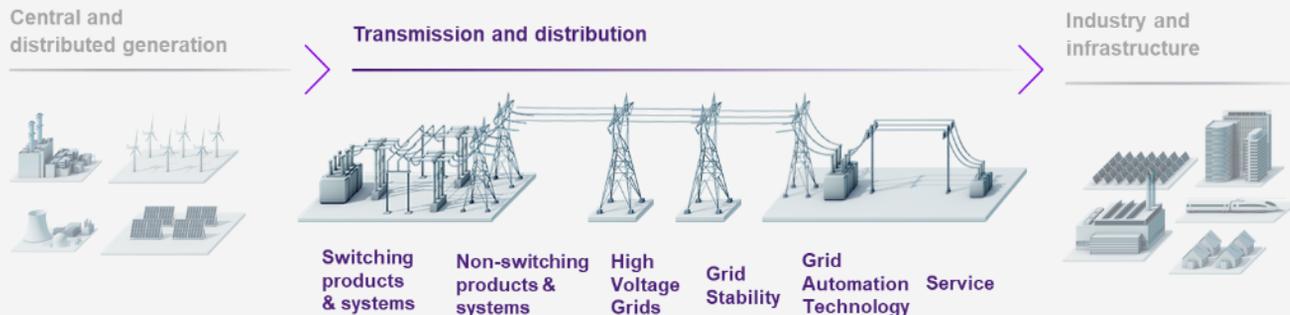
This need requires an **increase in renewable generation**, expansion and increased **interconnection of the grid**, and gradual **replacement and upgrade of aging grid infrastructure**. With our innovative portfolio we provide highest performance (efficiency, reliability, safety) in this transforming energy landscape.

Together with our globally recognised engineering excellence, we are uniquely positioned to be the **trusted partner of choice for customers worldwide**.



What does Transmission offer?

Our broad portfolio of innovative products for power transmission connects all elements of today's and tomorrow's energy value chain from switching and non-switching products, high voltage grids, equipment to ensure grid stability to grid automation technology. Transmission offers its products individually or as part of tailor-made systems and solutions as well as services relating to power transmission.



We make energy greener – Our BLUE portfolio

SF6 is a strong green-house gas with a global warming potential over 20,000 times greater than CO2 and used in many conventional high-voltage switching products.

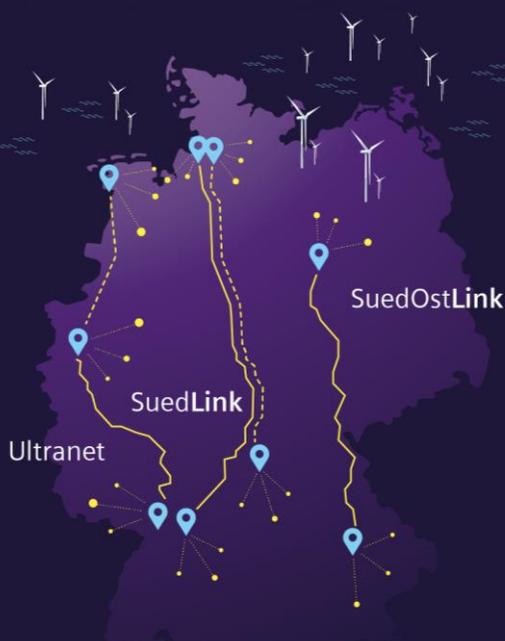
Our Blue portfolio contains no SF6 nor other F-gases and makes it possible to modernize and expand the existing power grids at the highest level of safety and to simultaneously reduce our ecological footprint to an enormous extent without having to compromise on performance and economic feasibility. The combination of vacuum switching technology and clean air insulation reduces emissions while greatly increasing the recycling rate – virtually maintenance free.

The technology is available for gas-insulated switchgears and circuit breakers up to 145kV as well as for busducts and instrument transformers up to 420kV all with absolutely zero CO2 equivalent emissions over the lifetime of the equipment.



Blue gas insulated switchgear (8VN1)

We build the wind power lines for green electricity



Due to the increasing importance of renewable energies, the transmission grid capacities from northern to southern Germany must be massively expanded.

With the three grid expansion projects Ultranet, SuedOstLink and SuedLink, we are contributing to one of Europe's largest and most powerful energy infrastructure systems, with the aim of successfully driving forward the energy transition in Germany.

Our HVDC transmission solution is helping to eliminate imbalances between power generation from northern onshore and offshore installations and energy consumption in western and southern Germany.

The transmission capacity of Ultranet, SuedOstLink and SuedLink will be 6 GW in total, comprising HVDC systems with state-of-the-art voltage-sourced converter (VSC) technology being able to supply more than 6 million households with renewable energy.

Our first year as an independent company



Outlook for the fiscal year 2022

We expect the global economy to continue to grow in the coming year and note that global supply chain constraints are likely to persist. Therefore, we cannot exclude that a shortage of materials and components and/or a lack of freight capacity may have an impact on our business, especially as it pertains to the on-time execution of large projects. COVID-19 also remains a factor of uncertainty. However, **we believe the overall situation will remain stable and do not expect major negative impacts on our business activity from COVID-19.** Overall, we are confident that the measures we have taken as part of our transformation will lead to higher profitability at Siemens Energy in FY2022.

For Siemens Energy in FY2022, we expect comparable revenue development (excluding currency translation and portfolio effects) to be in a range of negative 1% to positive 3% and an Adjusted EBITA margin before special items of 3% to 5%. We expect a sharp improvement towards our target of positive Net income. We expect Free cash flow pre tax to be in a range of a positive mid-triple-digit million €.

For the GP segment in FY2022, we target comparable revenue growth to be in a range of 1% to 5% and Adjusted EBITA margin before special items to be between 4.5% and 6.5%.

For the SGRE segment, we expect in FY2022 a comparable decline of revenue between negative 2% and negative 7%. Adjusted EBITA margin before special items is expected to be in a range of 1% to 4%.

This guidance assumes no major financial impacts from COVID-19 on our business activity and excludes charges related to legal and regulatory matters.



Financial Calendar

January 25, 2022	Sustainability Report 2021
February 9, 2022	Q1 FY2022
February 24, 2022	AGM 2022



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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.