Well placed to lead the energy transformation

Christian Bruch, Chief Executive Officer
Bank of America Global Industrials Conference
March 17, 2022
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Siemens Energy is well positioned to lead the energy transition

Siemens Energy AG
Revenue FY21: € 28.5 bn

- Gas and Power ("GP")
  - ~65% of SE Revenue
- Siemens Gamesa Renewable Energy ("SGRE")
  - ~35% of SE Revenue

Revenue by type

- Gas and Power
  - Service share: 41%
  - SGRE Service share: 19%

Revenue by geography

- Two core markets: EMEA, Americas
- Further upside in Asia
- 67% owned

- New Unit
- Generation
  - #1 Distributed
  - ~25%
  - #2 Central
- Industrial Applications
  - #2
  - ~20%
- Transmission
  - #1
  - ~20%
- New Energy
- Onshore
  - #3
  - ~20%
- Offshore
  - #1
  - ~10%
- Service
  - #1
  - ~5%
- Americas
  - 28%
- Asia, Australia
  - 18%
- EMEA
  - 54%

2022-03-17
SGRE — strategic imperative on wind power remains unchanged

1. Wind market offers attractive long term growth potential
   - Significant increase in demand for onshore and offshore
   - Capitalization on service opportunity

2. Internal and external Challenges
   - Supply chain constraints
   - 5.X ramp-up challenges

3. Measures
   - Acceleration and stringent execution of turnaround plan for onshore
The world needs more electricity

Growing electricity market (in TWh)$^1$

- Increasing electrification of industries$^2$
- Around 750 million people globally without access to electricity
- New electrical consumers (data centers, e-mobility)

1 Source: IEA (Stated Policies Scenario, October 2020)
2 Relates to electricity generation
The energy market is in the process of transformation

Shift of resource base¹
2018-2040

Wind
Solar
Gas
Nuclear
Hydro
Coal
Oil

1 Source: IHS (Autonomy, July 2021); shift of resource base related to electricity generation

Implications

- Opportunities for SGRE
- Grid upgrades & stabilization
- Investment in energy transport & hydrogen
- Stable service business
- Highly efficient conventional generation
- Decarbonization of existing infrastructure
- Coal exit
To reach the 1.5°C target of the Paris agreement will require a rapid decarbonization in all sectors for a CO$_2$ reduction of ~55% by 2030

The gap between the reference case$^1$ and 1.5°C pathway creates significant uncertainty

**CO$_2$ abatement gap per sector**

Gt CO$_2$ emissions

![Graph showing CO$_2$ emissions gap over time.](image)

- **Power**
- **Transport**
- **Buildings**
- **Industry**
- **Agriculture**
- **Deforestation**
- **CDR$^2$**

<table>
<thead>
<tr>
<th>Year</th>
<th>Power</th>
<th>Transport</th>
<th>Buildings</th>
<th>Industry</th>
<th>Agriculture</th>
<th>Deforestation</th>
<th>CDR$^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>40</td>
<td>30</td>
<td>20</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>2020</td>
<td>35</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>2030</td>
<td>30</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>2050</td>
<td>25</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

**Current trajectory**

- **Widening the gap**
- **CO$_2$ budget exceeded by 2031**

**1.5°C pathway**

Abatement gap

- **Transport**
- **Buildings**
- **Industry**
- **Power**

**All sectors would need to decarbonize rapidly to meet a 1.5°C pathway**

<table>
<thead>
<tr>
<th>Percent CO$_2$ abatement required in 1.5°C pathway vs. reference case</th>
<th>2030</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Power</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aviation</td>
<td>73%</td>
<td>99%</td>
</tr>
<tr>
<td>Marine</td>
<td>35%</td>
<td>81%</td>
</tr>
<tr>
<td>Road</td>
<td>25%</td>
<td>61%</td>
</tr>
<tr>
<td><strong>Buildings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cement</td>
<td>42%</td>
<td>86%</td>
</tr>
<tr>
<td>Marine</td>
<td>32%</td>
<td>71%</td>
</tr>
<tr>
<td>Road</td>
<td>25%</td>
<td>61%</td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cement</td>
<td>26%</td>
<td>78%</td>
</tr>
<tr>
<td>Iron &amp; Steel</td>
<td>29%</td>
<td>97%</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>56%</td>
<td>95%</td>
</tr>
<tr>
<td>Ammonia</td>
<td>39%</td>
<td>87%</td>
</tr>
<tr>
<td>Ethylene</td>
<td>63%</td>
<td>96%</td>
</tr>
</tbody>
</table>

- **Less than 30%**
- **30 – 50%**
- **50 – 70%**
- **70 – 80%**
- **80 – 90%**
- **90 – 100%**

1. McKinsey’s Global Energy Perspective (GEP) Reference Case provides our consensus view on how energy demand will evolve from today through 2050
2. Carbon dioxide removal, including measures such as reforestation and direct air capture
More and more government initiatives accelerate the energy transition

- **CHINA**
  - “3060” goals - national decarbonization roadmap

- **GERMANY**
  - Coalition agreement on climate protection

- **UNITED KINGDOM**
  - Carbon budget 6 and industrial decarbonization strategy

- **UNITED STATES**
  - Infrastructure bills with focus on greening the US economy

- **SAUDI ARABIA**
  - Vision 2030

- **UAE**
  - UAE Energy Strategy 2050

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We benefit because of our portfolio and the focus on the three pillars around the globe – e.g. in Europe

**UNITED KINGDOM**
- 68% CO₂ emission reduction until 2030
- Industrial decarbonization strategy to reduce emissions by 2/3 in 15 years
- 50% emission reduction by 2030 in the oil&gas industry
- 40GW offshore wind by 2030 (prior 30GW)

**GERMANY**
- Coal phase-out intended until 2030 (prior 2038)
- 80% of electricity from renewable energies until 2030
- 30GW offshore wind capacity by 2030 (prior 20GW)
- Commitment to highly efficient and H₂-ready gas power plants as transition technology
- Acceleration of planning and permitting processes for grid development
- CO₂ pricing as important instrument

Opportunities for wind power and decarbonization of industries

Significant opportunities for gas turbines, wind power and transmission

C. Bruch | BofA Global Industrials Conference  
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We benefit because of our portfolio and the focus on the three pillars around the globe – e.g. in the US

**UNITED STATES**
- 50% green house gas pollution reduction in 2030 (compared to 2005)
- 30GW offshore wind by 2030
- ~$60bn investments into power infrastructure
- ~$10bn funding to accelerated development of green hydrogen technology

Opportunities for wind power, transmission, hydrogen solutions and decarbonization of industries
Three pillars underpinning our strategy

- Low- or zero-emission power generation
- Transport and storage of energy
- Reducing the CO₂ footprint & energy consumption in Industrials processes
Achieving our company transformation will require us to innovate by working across organizations.

<table>
<thead>
<tr>
<th>G</th>
<th>T</th>
<th>I</th>
<th>NEB</th>
<th>SGRE</th>
</tr>
</thead>
</table>

- **Transform the future**
  - (Fields of Action)

- **Grow from the core**
  - (Service and adjacent markets)

- **Strengthen the core**
  - (Technology Fields, Improve Perf, Cost out, ...)

Simple, fast and unified process
To respond to the changes taking place in the energy markets, and to address the emerging opportunities we have defined **5 Fields of Action**:

**Energy Storage**
- Thermal Storage
- Li-Ion Next Gen
- Batteries
- Redox Flow Next Gen

**Decarbonized Heat & Industrial Processes**
- Heat pumps
- Electric Heaters
- Fuel cells
- Waste heat recovery

**Power-to-X**
- Green Hydrogen
- Offshore Hydrogen
- E-chemicals
- E-fuels

**Condition-based Service Interventions**
- Digital Twins for:
  - Energy Consumption
  - Operational Autonomous
  - Microgrids

**Resilient Grids and Reliability**
- ARESS
- SensX
- SVC Grid Forming
- HVDC Multivendor “InOpera”
Our six levers to deliver shareholder value

| Leader in energy industry | Service Business as a core value driver | Reach operational performance (after Spin-off) | More EBITA and more Cash | Developing future portfolio with focus on sustainability and service | Leading portfolio in the industry |
Financial outlook and framework

<table>
<thead>
<tr>
<th></th>
<th>Actuals FY20</th>
<th>Actuals FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€18.1bn</td>
<td>€18.4bn</td>
</tr>
<tr>
<td>% Change y-o-y&lt;sup&gt;2&lt;/sup&gt;</td>
<td>(3.1)%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Adj. EBITA before Special Items</td>
<td>€254m</td>
<td>€849m</td>
</tr>
<tr>
<td>% Margin before Special Items</td>
<td>1.4%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Restructuring costs&lt;sup&gt;3&lt;/sup&gt;</td>
<td>€133m</td>
<td>€360m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Profit forecast FY21</th>
<th>Profit forecast FY22</th>
<th>Profit forecast FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€27.5bn</td>
<td>€28.5bn</td>
<td></td>
</tr>
<tr>
<td>% Change y-o-y&lt;sup&gt;2&lt;/sup&gt;</td>
<td>(4.7)%</td>
<td>3.7%</td>
<td></td>
</tr>
<tr>
<td>Adj. EBITA before Special Items</td>
<td>€17m</td>
<td>€661m</td>
<td></td>
</tr>
<tr>
<td>% Margin before Special Items</td>
<td>(0.1)%</td>
<td>2.3%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Mid-term target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Siemens Energy</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>Flat to 3%&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>% Change y-o-y&lt;sup&gt;2&lt;/sup&gt;</td>
<td>3%-8%</td>
</tr>
<tr>
<td>Adj. EBITA before Special Items</td>
<td>(2)%&lt;sup&gt;-3%&lt;/sup&gt; (prev. 1%)-3%</td>
</tr>
<tr>
<td>% Margin before Special Items</td>
<td>2% - &lt;3% (prev. 3%-5%)</td>
</tr>
<tr>
<td>Tax rate</td>
<td>Medium-term tax rate 25%-30%</td>
</tr>
</tbody>
</table>

1 Rolling 3-year average total revenue growth, excluding portfolio and currency effects | 2 FY20 nominal change compared to FY19; FY21 nominal change compared to FY20; FY22 comparable change compared to FY21 | 3 Included in Special Items definition | 4 Adj. EBITA not adjusted for Special Items
Management Priorities for FY22

1. Deliver on the fundamentals at GP and SGRE
2. Focus on supply chain, logistics and raw materials
3. Refine operating model and shape organization towards the three pillars
4. Focus the company on sustainable growth elements
Financial Calendar

2022

Mar 17

BofA Global Industrials Conference

May 11

Q2 FY22

May 23-24

Capital Markets Day

Aug 8

Mar 17

May 11

May 23-24

Aug 8

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Appendix
Key Messages Q1 FY22

Highlights / Lowlights

• SGRE profit warning
• Very solid start in Gas and Power (GP)
• Sustainability Report published on January 25, 2022

Market Environment

• Improving boundary conditions
• Solid order environment across all businesses at GP
• SGRE market dynamics remain challenging
• Material availability, supply chain and logistics provide headwinds

Revised Guidance FY22

SE
• Revenue development of (2)% to 3% comp.¹, prev. (1)% to 3%
• Adj. EBITA margin before SI of 2% to 4%, prev. 3% to 5%

GP
• Revenue growth of 1% to 5% comp.¹ (unchanged)
• Adj. EBITA margin before SI of 4.5% to 6.5% (unchanged)

SGRE
• Revenue decline of (2)% to (9)% comp.¹, prev. (2)% to (7)%
• Adj. EBITA margin before SI of (4)% to 1%, prev. 1% to 4%

1 comparable: excluding currency translation and portfolio effects

Q1 FY22 Financial Performance

• Orders: +10.1% comp.¹ at €8.3bn
• Order backlog at €87bn
• Revenue: -11.4% comp.¹ at €6.0bn; book-to-bill of 1.40
• Adj. EBITA before SI: -€63m (down from €366m)
• Adj. EBITA margin before SI: -1.1%
• FCF pre tax: -€69m (up from -€388m)
## Solid progress in FY21 to become the most valued energy technology company in the world

<table>
<thead>
<tr>
<th>Leader in energy industry</th>
<th>Service Business as a core value driver</th>
<th>Reach operational performance (after Spin-off)</th>
<th>More EBITA and more cash</th>
<th>Developing future portfolio with focus on sustainability and service</th>
<th>Leading portfolio in the industry</th>
</tr>
</thead>
</table>
| • Leading market positions maintained in all Divisions despite selectivity on scope of projects | • Return to comparable growth in service  
 • Resilient service margins | GP  
 • Progress in restructuring, footprint consolidation & NCC reduction  
 • Customer focus and collaboration  
 SGRE  
 • Innovation, productivity and asset management & operational excellence | • €678m increase in Adjusted EBITA before SI driven by cost out and operational improvements  
 • €1.36bn free cash flow pre tax driven by better-than-expected net working capital management | • R&D in service-related topics increased  
 • Investment in hydrogen business  
 • Blue portfolio, heat pumps and batteries  
 • Co-development with customers to decarbonize | • Focus on 3 pillars:  
 1) Low- or zero-emission power generation  
 2) Transport and storage of energy  
 3) Reducing the CO₂ footprint & energy consumption in industrial processes |