Well placed to lead the energy transformation

Maria Ferraro, Chief Financial Officer
Berenberg European Conference
December 08, 2021
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Key Messages in Q4 FY21

Market Environment

- Solid order environment in Transmission and Generation
- Industrial Applications benefits from increased propensity to invest
- Solid order trends in wind, short-term market dynamics challenging
- Headwinds from supply chain and logistics

Cost Programs

GP
- Restructuring in Germany agreed with Works Council
- Rapid implementation in non-co-determined countries

SGRE
- LEAP delivering on productivity targets
- 5X program in place to address ramp up challenges and cost inflation impact

FY21 Financial Performance

- Orders: +30.2%; order backlog at €84bn
- Revenue: +7.4% at €8.2bn; book-to-bill of 1.11
- Adj. EBITA before SI: - €46m (down from €70m)
- Adj. EBITA margin before SI: - 0.6%
- FCF pre tax: €985m (up from €704m)

Guidance FY22

SE
- Revenue development of (1)% to 3% comparable¹
- Adj. EBITA margin before SI of 3% to 5%

GP
- Revenue growth of 1% to 5% comparable¹
- Adj. EBITA margin before SI of 4.5% to 6.5%

SGRE
- Revenue decline of 2% to 7% comparable¹
- Adj. EBITA margin before SI of 1% to 4%

¹ comparable: excluding currency translation and portfolio effects
Siemens Energy is well positioned to lead the energy transition

Siemens Energy AG
Revenue FY21: € 28.5 bn

67% owned

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

Asia, Australia

Americas

EMEA

~33%

~67%

~25%

~10%

~5%

~18%

~28%

~54%

~20%

~20%

~20%

~20%

~10%

~5%
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 (2021) World Energy Outlook. All rights reserved
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

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

¹ Source: IHS (Autonomy, July 2021); shift of resource base related to electricity generation
Three pillars underpinning our strategy

- Low- or zero-emission power generation
- Transport and storage of energy
- Reducing the CO$_2$ footprint & energy consumption in Industrials processes
More and more government initiatives accelerate the energy transition

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

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

- **CHINA**
  - "3060" goals - national decarbonization roadmap

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

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

- **SAUDI ARABIA**
  - Vision 2030

- **SOUTH AFRICA**
  - Hydrogen South Africa (HySA)

- **AUSTRALIA**
  - 2020 Integrated System Plan

- **UAE**
  - UAE Energy Strategy 2050
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
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
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
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
We are #TeamPurple #WeEnergizeSociety

Meet us at our CMD
May 23-24, 2022
in Berlin
Questions & Answers
Financial Calendar

2021
Dec 8
Berenberg European Conference

2022
Jan 11
German Investment Seminar

Jan 25
Sustainability report

Feb 09
Q1 FY22

Feb 24
AGM

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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>
<tbody>
<tr>
<td>• Leading market positions maintained in all Divisions despite selectivity on scope of projects</td>
<td>• Return to comparable growth in service • Resilient service margins</td>
<td>GP • Progress in restructuring, footprint consolidation &amp; NCC reduction • Customer focus and collaboration SGRE • Innovation, productivity and asset management &amp; operational excellence</td>
<td>• €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</td>
<td>• R&amp;D in service-related topics increased • Investment in hydrogen business • Blue portfolio, heat pumps and batteries • Co-development with customers to decarbonize</td>
<td>• Focus on 3 pillars: 1) Low- or zero-emission power generation 2) Transport and storage of energy 3) Reducing the CO₂ footprint &amp; energy consumption in industrial processes</td>
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## Financial outlook and framework

### Gas and Power

<table>
<thead>
<tr>
<th></th>
<th>Actuals FY20</th>
<th>Actuals FY21</th>
<th>Profit forecast FY21</th>
<th>Profit forecast FY22</th>
<th>Profit forecast FY23</th>
<th>Mid-term target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€18.1bn</td>
<td>€18.4bn</td>
<td></td>
<td></td>
<td></td>
<td>Flat to 3%¹</td>
</tr>
<tr>
<td>% Change y-o-y²</td>
<td>(3.1)%</td>
<td>1.5%</td>
<td></td>
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<tr>
<td>Adj. EBITA before Special Items</td>
<td>€254m</td>
<td>€849m</td>
<td></td>
<td></td>
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<td>≥8% Margin reported⁴</td>
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<tr>
<td>% Margin before Special Items</td>
<td>1.4%</td>
<td>4.6%</td>
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<tr>
<td>Restructuring costs³</td>
<td>€133m</td>
<td>€360m</td>
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### Siemens Energy

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<th>Mid-term target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€27.5bn</td>
<td>€28.5bn</td>
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<tr>
<td>% Change y-o-y²</td>
<td>(4.7)%</td>
<td>3.7%</td>
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<tr>
<td>Adj. EBITA before Special Items</td>
<td>(€17)m</td>
<td>€661m</td>
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<tr>
<td>% Margin before Special Items</td>
<td>(0.1)%</td>
<td>2.3%</td>
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<tr>
<td>Tax rate</td>
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<td>Medium-term tax rate 25%-30%</td>
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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

Cumulative mid-to-high triple digit euro million amount in FY20-23