Siemens Energy benefits from positive market environment and delivers another solid quarter. Adjusted outlook reflects stronger growth and positive cash development.

Press call,Q2 fiscal year 2024

Berlin, May 8, 2024

Christian Bruch, President and CEO Siemens Energy AG

Maria Ferraro, Chief Financial Officer Siemens Energy AG



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Siemens Energy, 2024

Notes and comments on forward-looking statements

This document contains statements that relate to our future business and financial performance and to future events or developments at Siemens Energy that may constitute forward-looking statements. These statements can be identified by the use of words such as "expect", "want", "anticipate", "intend", "plan", "believe", "aim", "estimate", "will" and "predict" or similar expressions.

We may also make forward-looking statements in other reports, prospectuses, presentations, documents sent to shareholders and press releases.

In addition, from time to time our representatives may make forward-looking statements orally. Such statements are based on the current expectations and certain assumptions of Siemens Energy's management, many of which are beyond Siemens Energy's control. They are therefore subject to a variety of risks, uncertainties and other factors that are not discussed in the forward-looking statements, particularly in the section "Report on expected developments".
"Report on Expected Developments and Significant Opportunities and Risks" of the Annual Report and in the Half-Year Financial Report, which should be read in conjunction with the Annual Report.

Should one or more of these risks or uncertainties materialize, or should force majeure events such as pandemics occur, or should underlying expectations, including future events, fail to materialize or be delayed or assumptions prove incorrect, Siemens Energy's actual results, performance or achievements may be materially different (either negatively or positively) from those expressed or implied by such forward-looking statements. Siemens Energy assumes no obligation and does not intend to update or revise these forward-looking statements in light of developments which differ from those anticipated.

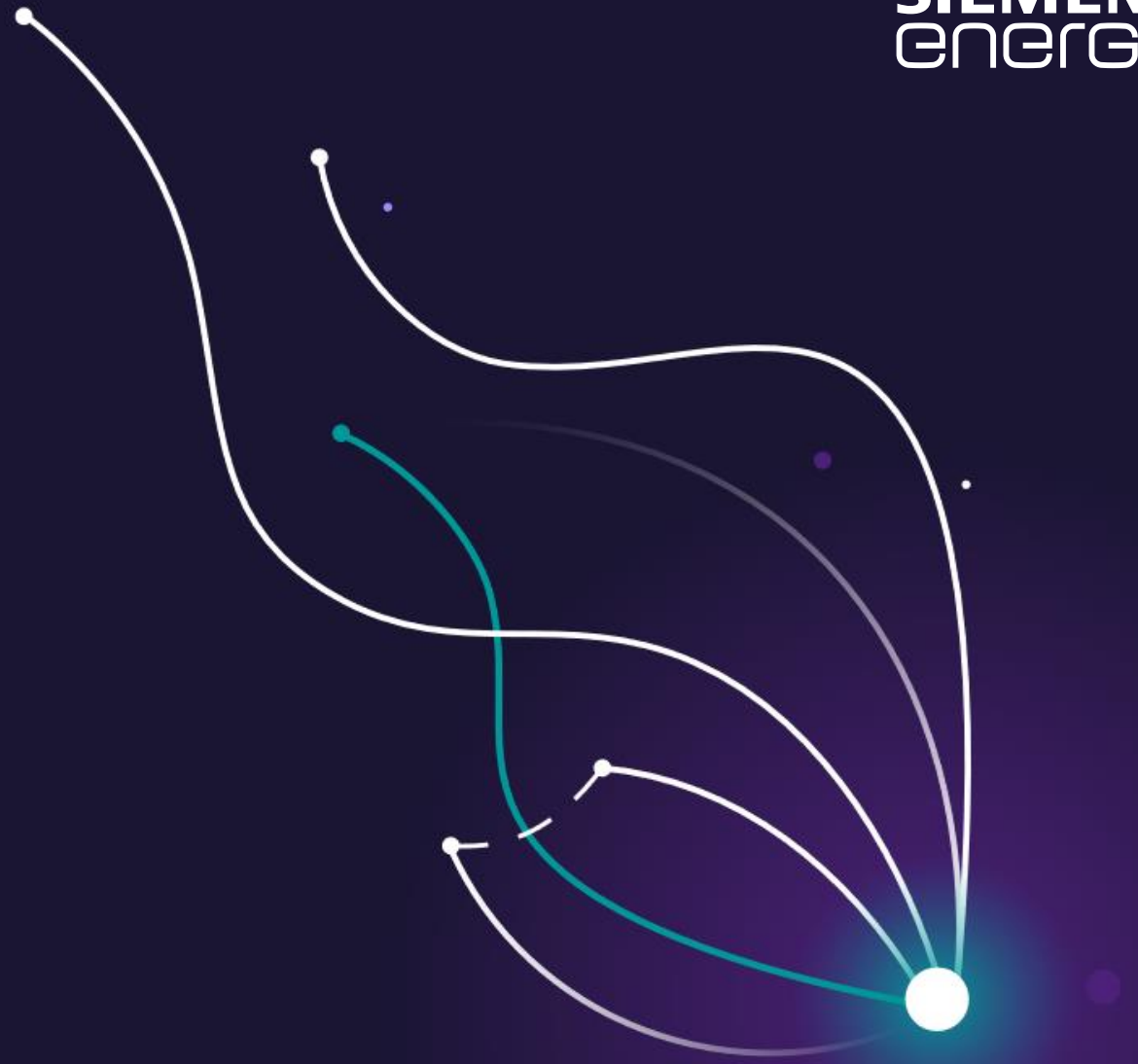
This document includes supplemental financial measures that are or may be alternative performance measures that are not specifically identified in the applicable financial reporting framework. These supplemental financial measures should not be considered in isolation or as alternatives to measures of Siemens Energy's financial condition or results of operations as presented in the consolidated financial statements and determined in accordance with applicable financial reporting frameworks. Other companies that present or report alternative performance measures with a similar description may calculate them differently.

Due to rounding, it is possible that individual figures in this and other reports do not add up exactly to the totals given and that the percentages shown do not exactly reflect the absolute values to which they relate.

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Christian Bruch

President and CEO Siemens Energy AG



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Siemens Energy adjusts outlook for fiscal year 2024

Positive trend of the 1st quarter continued; significant increase in demand on the electricity market drives demand for our products and services.

As expected, lower incoming orders due to Siemens Gamesa, strong revenue growth, particularly in the Network segment; profit before special items €170 million.

Outlook for the 2024 financial year adjusted due to strong business performance in the first half of the year; higher revenue and positive cash flow expected.



Implementation of quality measures in Onshore

No new technical errors encountered or found; assumptions for quality costs are still valid

Start of implementation phase of the quality task force; responsibility handed over to internal Siemens Energy managers; external partners still involved.

Resumption of sales activities for 4.x turbines in Europe planned for the end of the financial year; start of sales activities for 5.x planned for the 2025 fiscal year.



Alignment of the wind business to achieve break even

Onshore and offshore will remain important businesses in the future



Onshore

Stronger regional focus in new business (especially Europe and the USA), significant reduction in product variants, optimization of production structure. Strong global presence in service remains.



Offshore

Growth in Offshore business based on the 14 MW turbine (MARK VI) as a volume product, order volume in gigawatts already greater than for predecessor models. Focus and increase in productivity in plants.



Organisation

Reduction of hierarchical levels and clear business responsibility; consolidation of new installations and Service business; integration of central functions with Siemens Energy.

Our contribution to the energy transition

Power generation with low or zero emissions

Gas Services



Conversion of coal-fired power plant in Poland into modern combined-cycle plant with SGT5-4000F gas turbine.

Siemens Gamesa



Installation of the first 14.7 megawatt offshore turbine (of 60) at the Moray West wind farm in Scotland.

Transportation and storage of energy

Grid Technologies



250-kilometer HVDC link in the Adriatic as a connection between northern and southern Italy.

Reducing GHG emissions & energy consumption in industrial processes

Transformation of Industry



Installation of the first "Silyzer 300" electrolyzer at the Air Liquide production plant in Oberhausen.

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Maria Ferraro

Chief Financial Officer Siemens Energy AG

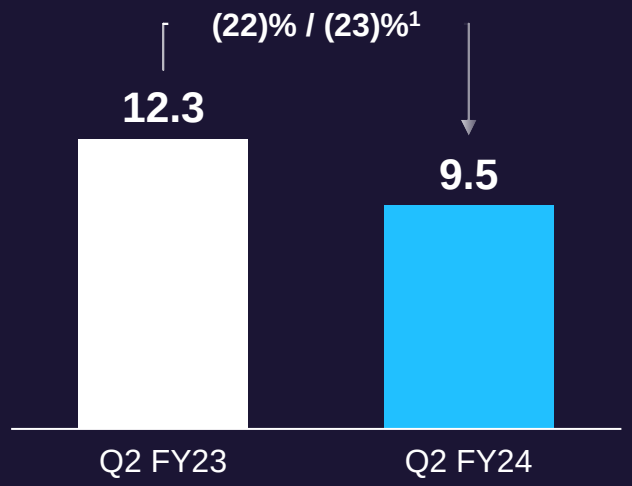


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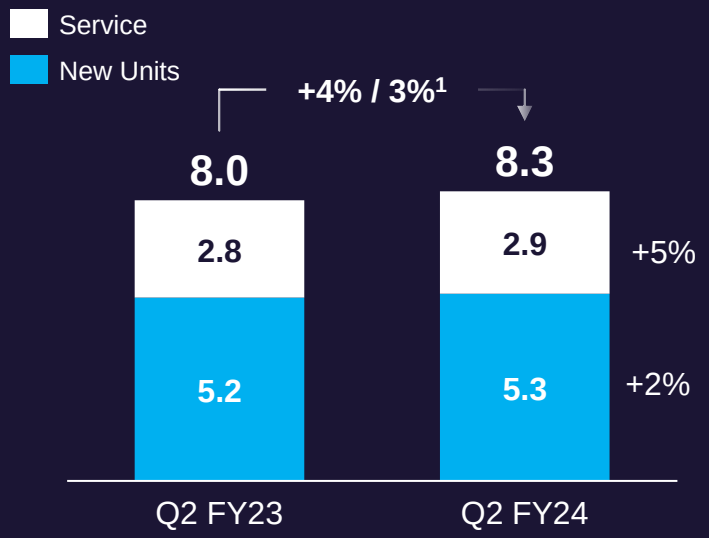
Siemens Energy Group in Q2 FY2024

Positive trend continues in Q2

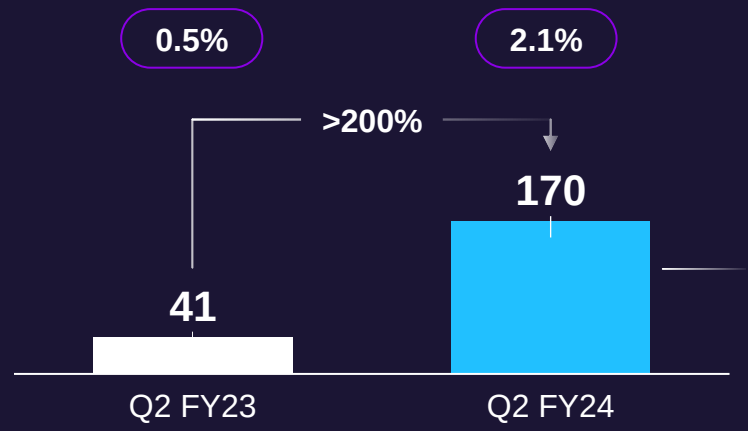
Orders
in €bn



Revenue
in €bn



Profit before SI
in €m



Order backlog[2] €119bn
Q1 FY24: €118bn

Book-to-bill Ratio 1.14
Q2 FY23: 1.53

Free Cash Flow[3] €483m
Q2 FY23: €(294)m

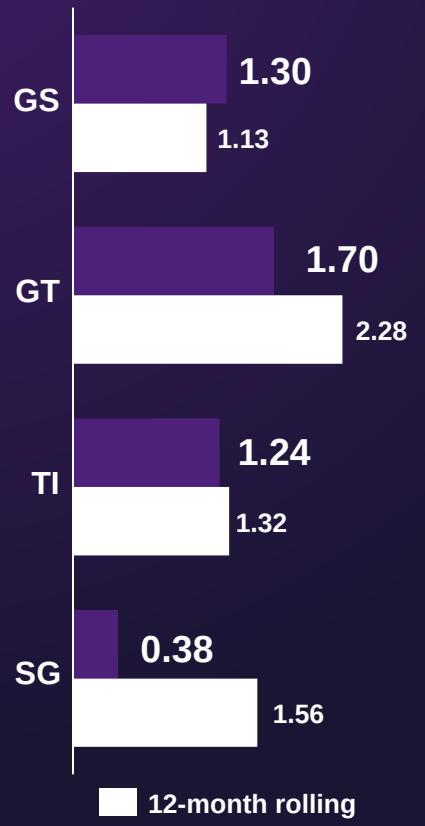
1 xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal | **2** As of March 31, 2024 | **3** Free Cash Flow pre tax

X.X% Profit margin before Special Items

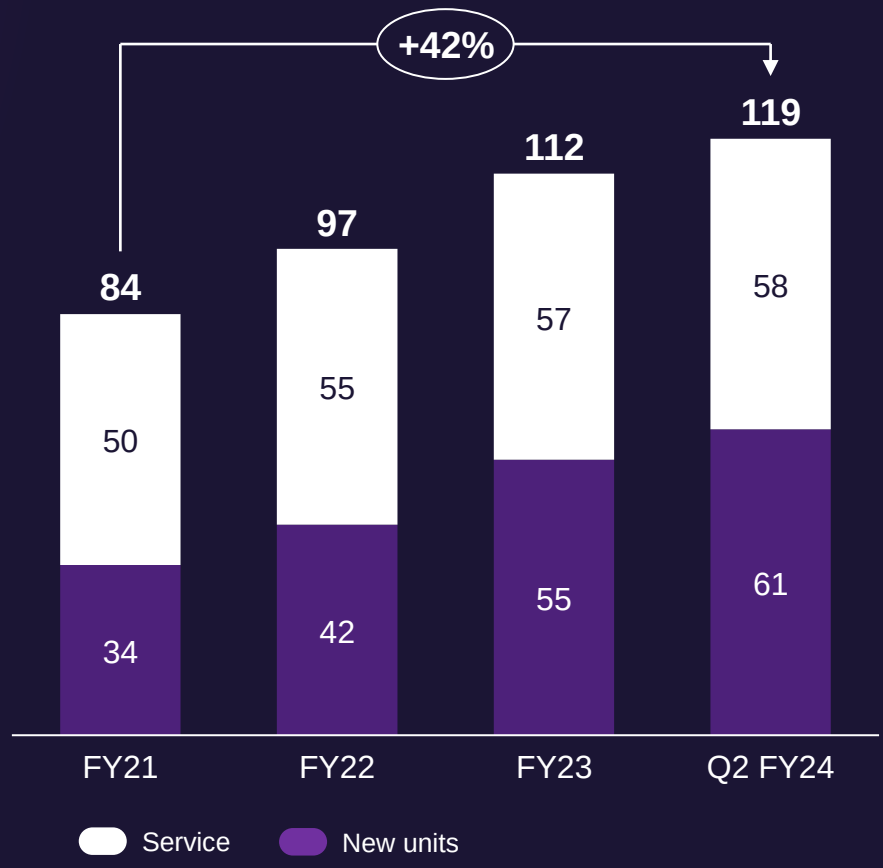
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Increasing order backlog
as a source of strength and resilience

Book-to-Bill Q2 FY24



SE order backlog development (€bn)

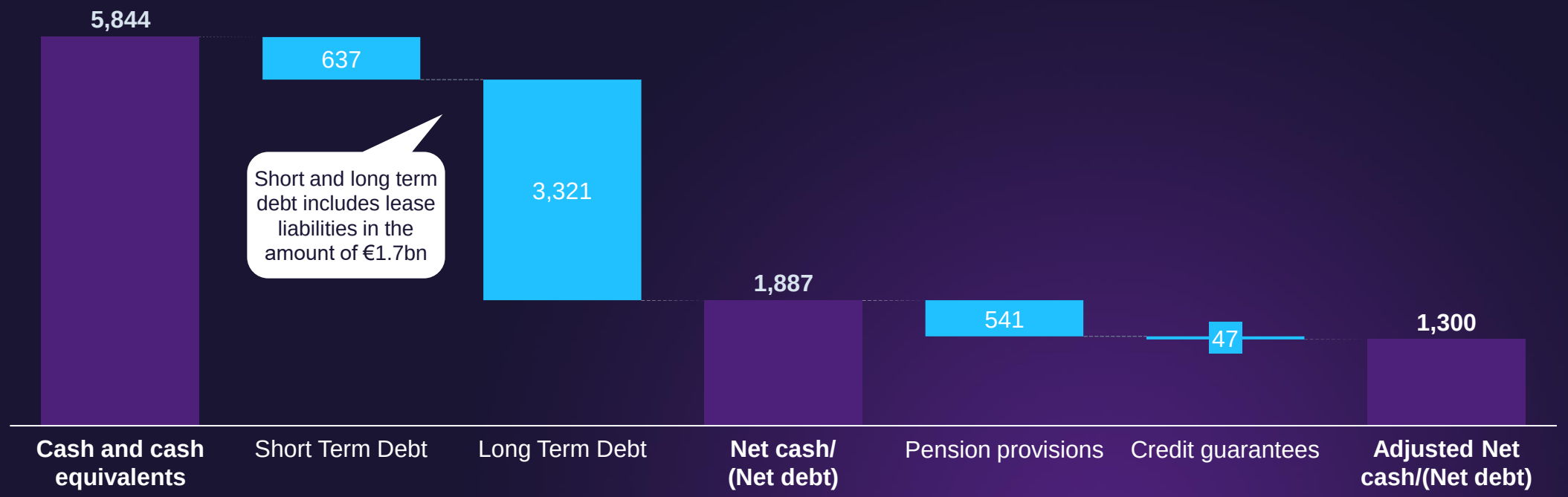


- Large majority of FY24 revenue already secured in the backlog
- Increase across all businesses
- Stronger growth in new units supporting rejuvenation of our serviced fleet
- Resilience from long-term service business particular in Gas Services
- Margin profile in the order book support our mid-term targets
- Backlog covering almost 4x annual revenue

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Net cash position expanded

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

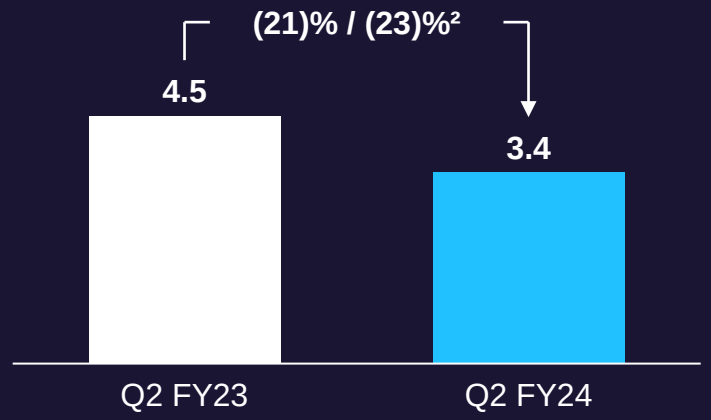


Siemens Energy: €9.8bn liquidity available (€5.8bn cash, €4.0bn undrawn facilities)

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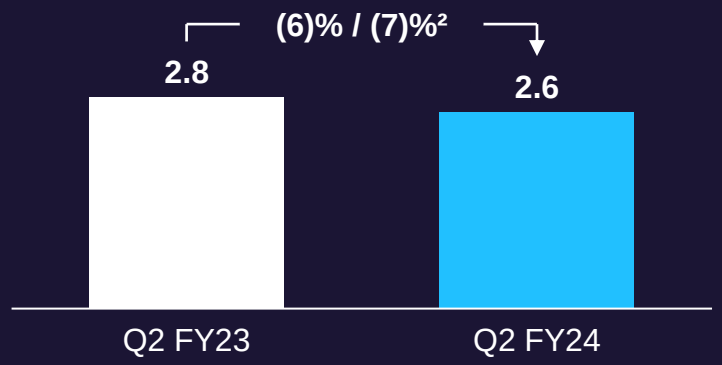
Gas Services: Strong track record in profitability continues
Q2 FY24[1]

Orders
in €bn



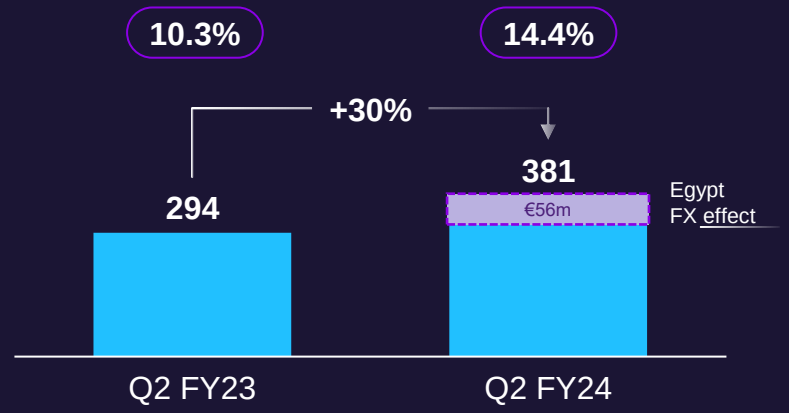
- Substantially below the high level of prior year due to a substantial lower volume from large orders especially in the new unit business
- Orders in service business were only slightly down y-o-y

Revenue
in €bn



- Clear revenue decrease y-o-y
- Growth in the service business was more than offset by a decrease in the new unit business

Profit before SI
in €m



- Profit before SI above the already high level of prior year's strong quarter benefitting from strong service revenue and positive one-off effects mostly from currency

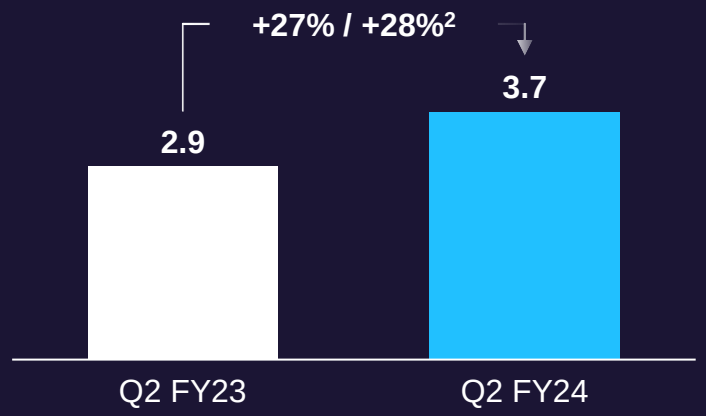
1 Prior year figures are presented on a comparable basis | 2 xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal

X.X% Profit margin before Special Items

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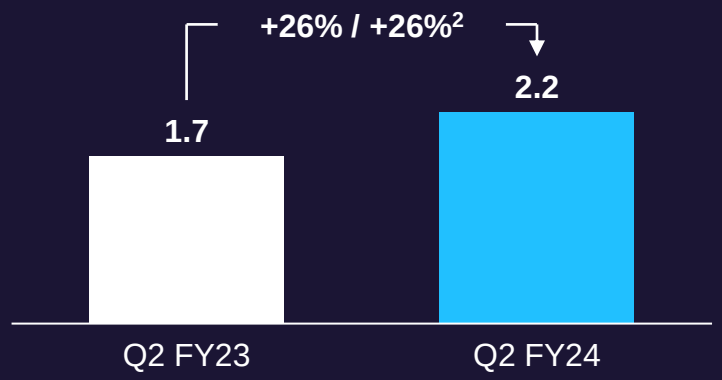
Grid Technologies: Significant improvement across all KPIs
Q2 FY24[1]

Orders
in €bn



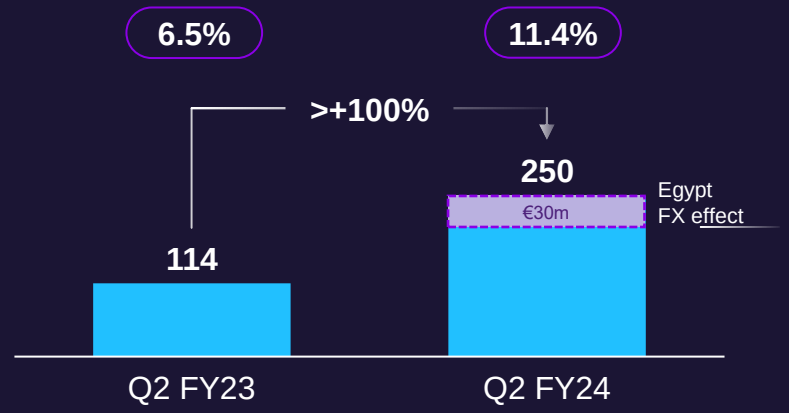
- Substantial increase driven product and solution businesses
- Large high-voltage direct current (HVDC) order in Italy

Revenue
in €bn



- Substantial increase in all businesses with main contributions both from the product and solution businesses

Profit before SI
in €m



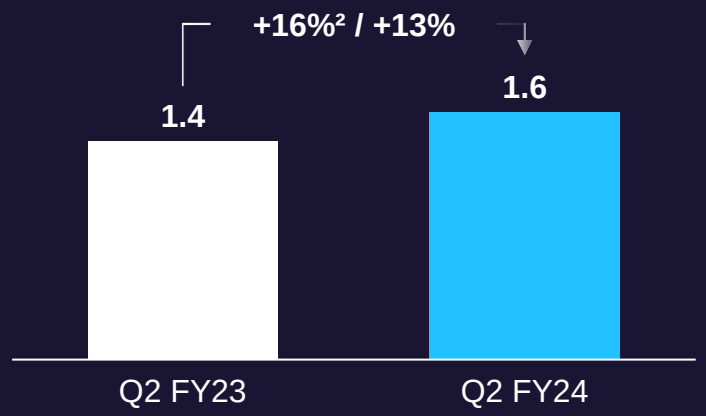
- Profit before SI more than doubled driven by higher volume, comparatively higher margins in the processed order backlog as well as a positive currency effect

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X.X% Profit margin before Special Items

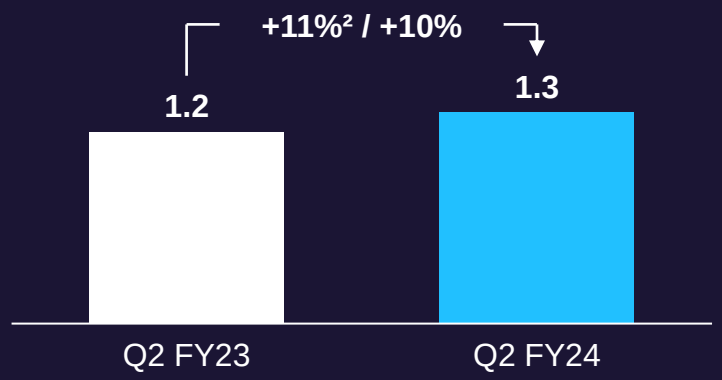
Transformation of Industry: Executing according to plan
Q2 FY24[1]

Orders
in €bn



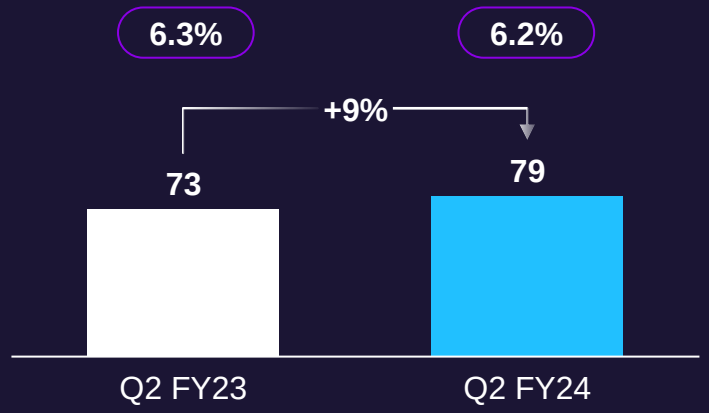
- Significant increase y-o-y driven by a large order in the Compression business in the Middle East worth nearly €400m

Revenue
in €bn



- Significant increase y-o-y with all businesses at or above prior-year quarter's level
- Continuing service strength, particularly in the Compression and Industrial Steam Turbines Generators businesses

Profit before SI
in €m



- Profit before SI increased y-o-y driven by increased volume, better pricing, and increased service revenue but impacted by negative one-off effects and a factory ramp-up in the Sustainable Energy System business

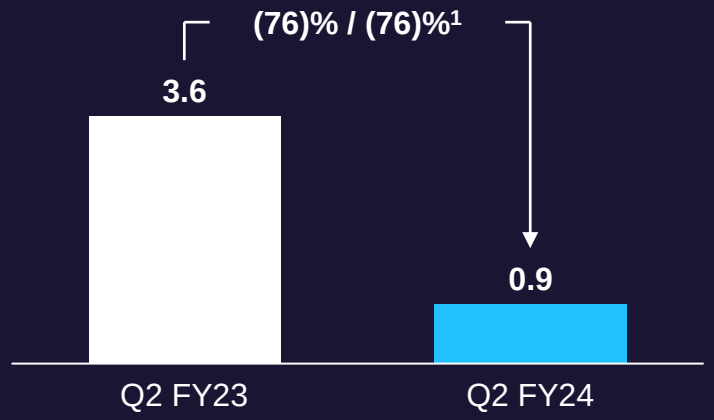
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X.X% Profit margin before Special Items

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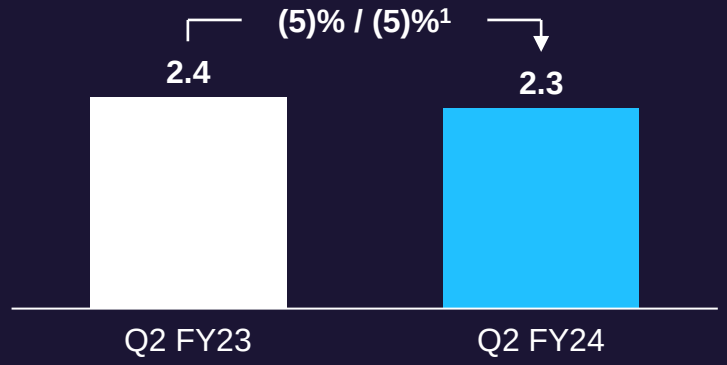
Siemens Gamesa: Progressing in line with expectations
Q2 FY24

Orders
in €bn



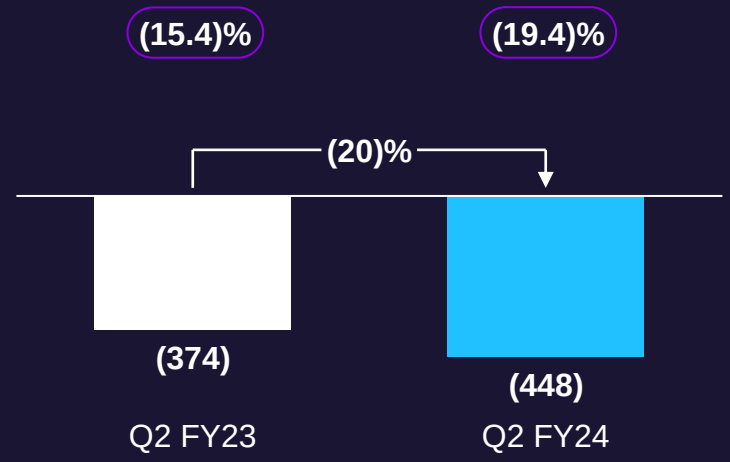
- Orders sharply down as all business reported decreases
- Onshore orders continue to be impacted by the temporary interruption of sales activities for the 4.X and 5.X turbines
- No large orders in offshore and service businesses

Revenue
in €bn



- Revenue declined moderately as lower revenue in the onshore and service business more than offset growth in the offshore area

Profit before SI
in €m



- Profit continued to be impacted by project margins burdened by higher planned costs due to the known quality issues in onshore as well as increased costs and ramp-up challenges in the offshore area

X.X% Profit margin before Special Items

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

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Financial outlook raised
Fiscal Year 2024

	FY24 Outlook			
	Revenue Growth[1]		Profit Margin before SI[2]	
Gas Services	(2) – 0%	*(prev. (4) – 0%)*	9 – 11%	*(unchanged)*
Grid Technologies	32 – 34%	*(prev. 18 – 22%)*	8 – 10%	*(prev. 7 – 9%)*
Transformation of Industry	14 – 16%	*(prev. 8 – 12%)*	5 – 7%	*(unchanged)*
Siemens Gamesa	10 – 12%	*(prev. 0 – 4%)*	around neg. €2.0bn *(unchanged)*	
Siemens Energy	**10 – 12%**	***(prev. 3 – 7%)***	**(1) – 1%**	***(prev. (2) – 1%)***
Net Income	up to €1bn *(unchanged)* incl. impacts from disposals			
Free Cash Flow pre tax[3]	up to pos. €1bn *(prev. around neg. €1.0bn)*			
Proceeds from disposals	around pos. €3bn *(prev. range of pos. €2.5 – €3bn)*			

This outlook excludes charges related to legal and regulatory matters

1 Comparable revenue growth: Excluding currency translation and portfolio effects I 2 Profit Margin before Special Items 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 I 3 Free Cash Flow pre tax as operating cashflow and additions to intangible assets and PPE less Income taxes paid

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Christian Bruch

Chief Executive Officer Siemens Energy AG



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Economic alliance for an open and diverse Europe

The "We for Values" initiative for an open, diverse and successful Europe is aimed at German companies from the DAX, SMEs and the start-up scene.

Around 30 companies have already joined the alliance, including BASF, Bosch, BMW, Ford, Lufthansa, Deutsche Bahn, Siemens, RWE, Uniper, and many more.

The aim is to emphasize the value of democracy in Germany and Europe for the national economy and to encourage employees to vote.



Questions & Answers

Christian Bruch and Maria Ferraro



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Media calendar 2024

May 13
Press trip

August 7
Q3

November 13
Annual Press Conference

December 12
Release of the Annual Report

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