Gas and Power on track, SGRE impacted by onshore wind business

Q3 2021 Press Call
Berlin, August 4, 2021

Christian Bruch, President and CEO Siemens Energy AG
Maria Ferraro, CFO Siemens Energy AG



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Christian Bruch

President and CEO Siemens Energy AG



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Siemens Energy:
Third quarter of fiscal year 2021

Financial performance and outlook

- Solid performance of segment Gas and Power in Q3, as planned
- Weak results at SGRE affect Siemens Energy
- Orders substantially down due to performance at SGRE
- Revenue on Group level clearly up
- Revenue guidance for Siemens Energy maintained; margin guidance cut due to weak results at SGRE

Highlights

- Remote working of up to 45% of annual work time possible in Germany
- Further ESG ratings obtained (ISS ESG, MSCI)

Market environment

- Early signs of market recovery in some businesses
- Rising raw material prices
- Negative currency translation effects
- Market environment still impacted by pandemic; impact, however, less pronounced

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Siemens Gamesa Renewable Energy

Facts

- SGRE adjusted profit margin from 3%-5% to (1)%-0%
- Headwinds from sharp increase in raw material prices and project costs
- Turnaround in onshore business takes more time than expected

Measures

- New management must consistently implement the measures initiated to turn around the onshore business
- Internal processes must be realigned and strengthened

Assessment

- Renewable energies play a key role in the energy transition and thus also in our strategy
- Offshore and service business developing as planned; positive long-term development expected

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Measures to improve competitiveness

Executing our strategy

Germany:

- Negotiations with employer representatives on implementation of measures communicated in February were ended in the previous form
- Arbitration board will resolve open topics
- Preceding voluntary leaver program will end soon

Worldwide:

- Measures to improve competitiveness are being implemented; reduction targets for fiscal 2021 will be achieved

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Recent project orders

Low or zero-emission power generation



Leipheim: Remote-controlled gas-fired power plant to safeguard electricity supply in Germany

Transport of electricity and storage



SuedOstLink will transport environmentally friendly electricity from Northern to Southern Germany

Reducing CO_2 footprint and energy consumption in industrial processes



Electrification of biorefinery in Leuna – production of biochemicals without the use of fossil-based raw materials

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Sustainability program Siemens Energy

Siemens Energy and IRENA sign partnership agreement

- Advancing the energy transition based on renewable energy
- Supporting sustainable development goals and climate action by
  - Advancing decarbonization in heat generation and process industry
  - Developing business models for green hydrogen

Prime Rating from ISS ESG

- Siemens Energy received an ESG Performance Rating and was rated B-Prime
- Siemens Energy‘s ESG Performance Rating places it top 20th percentile in the Electrical Equipment industry

MSCI ESG Rating Upgrade

- Siemens Energy received a rating upgrade to BBB

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Maria Ferraro

CFO Siemens Energy AG

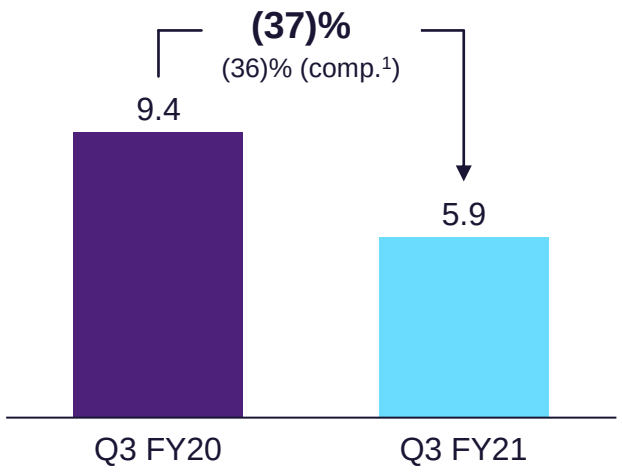


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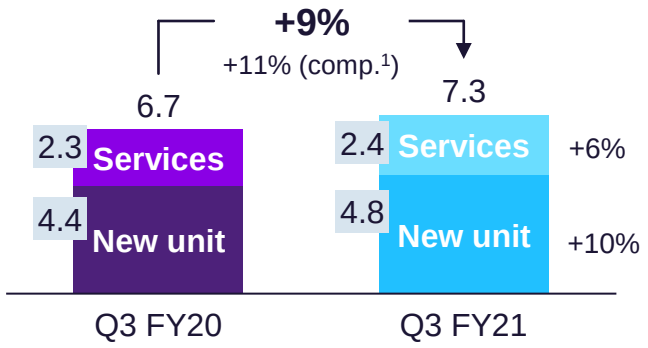
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Siemens Energy Group at a glance
Q3 FY21

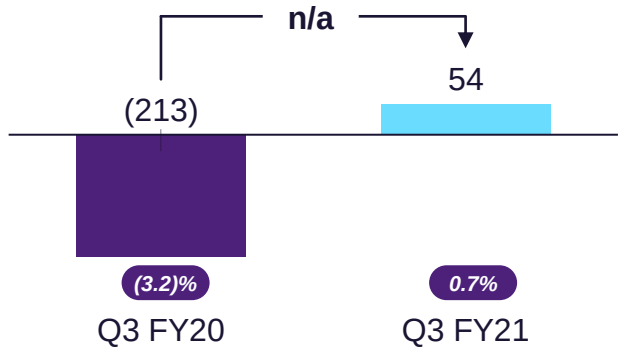
Orders (in €bn)



Revenue (in €bn)



Adj. EBITA before Special Items (in €m)



Order Backlog[2]
€83bn
Q2 FY21: €84bn

Book-to-Bill Ratio
0.8
Q3 FY20: 1.4

Free Cash Flow[3]
€328m
Q3 FY20: €432m

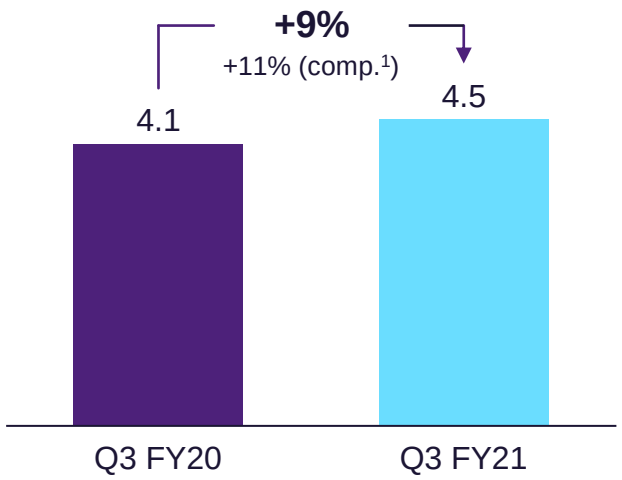
1 Excluding currency translation and portfolio effects | **2** As of June 30, 2021 | **3** Free Cash Flow pre tax

x.x% Adj. EBITA margin before Special Items

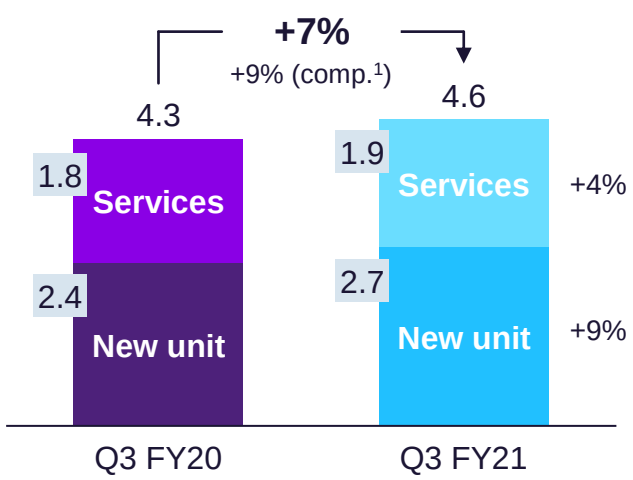
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Gas and Power at a glance
Q3 FY21

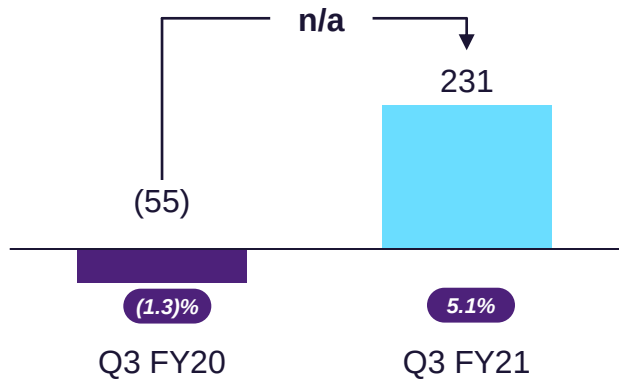
Orders (in €bn)



Revenue (in €bn)



Adj. EBITA before Special Items (in €m)



Order Backlog[2]
€50bn
Q2 FY21: €51bn

Book-to-Bill Ratio
1.0
Q3 FY20: 1.0

Free Cash Flow[3]
€384m
Q3 FY20: €27m

1 Excluding currency translation and portfolio effects | **2** As of June 30, 2021 | **3** Free Cash Flow pre tax

August 4, 2021 *x.x%* Adj. EBITA margin before Special Items

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Financial outlook and framework

		Actuals		Profit forecast		3-year guidance	Mid-term target
		FY19	FY20	FY20	FY21	FY23	
Gas and Power	**Revenue**	**€18.7bn**	**€18.1bn**	**(5)%-(3)%** ✓	**2%-6%**		
	% Growth y-o-y[2]	(1.4)%	(3.1)%				
	Adj. EBITA before Special Items	**€836m**	**€254m**	**0%-2%** ✓	**3.5%-5.5%**	**6%-8%**	
	% Margin before Special Items	4.5%	1.4%				
	Restructuring costs[3]	**€247m**	**€133m**	Cumulative **mid-to-high triple digit** euro million amount in FY20-23			
Siemens Energy	**Revenue**	**€28.8bn**	**€27.5bn**	**(5)%-(2)%** ✓	**3%-8%**		**Flat to 3%[1]**
	% Growth y-o-y[2]	2.8%	(4.7)%				
	Adj. EBITA before Special Items	**€1,517m**	**(€17)m**	**(1)%-1%** ✓	**2% - <3%** *(prev. 3%-5%)*	**6.5%-8.5%**	**≥8% Margin reported[4]**
	% Margin before Special Items	5.3%	(0.1)%				
	Tax rate			Medium-term tax rate **25%-30%**			

1 Rolling 3-year average total revenue growth, excluding portfolio and currency effects | **2** FY19 growth compared to FY18; FY20 growth compared to FY19 | **3** Included in Special Items definition | **4** Adj. EBITA not adjusted for Special Items

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President and CEO Siemens Energy AG



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Energy transition from the perspective of Siemens Energy

Prerequisites for achieving the climate targets

Five points to achieve the energy transition

1. Faster expansion of renewables and grids
2. Framework conditions must be suitable
3. No technological taboos
4. Adapting state aid law to requirements
5. And finally: more honesty in the debate

Solidarity for flood victims

- Siemens Energy launches fundraising campaign after flood disaster in Germany
- Employees donate €275,000 within 72 hours
- Siemens Energy doubles the amount and donates €550,000 to the German Red Cross

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Questions & Answers

Christian Bruch and Maria Ferraro



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Financial calendar

2021

4 August
Q3
FY 2021

10 November
Annual Press
Conference
Q4 FY 2021

2022

9 February
Q1
FY 2022

24 February
Annual General Meeting
2022

Press contacts

Tim Proll-Gerwe
Head of Media Relations
Mobile: +49 152 2283 5652
tim.proll-gerwe@siemens-energy.com

Annette von Leoprechting
Spokesperson Finance
Mobile: +49 174 330 3977
annette.von_leoprechting@siemens-energy.com

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