Siemens Energy with solid operational performance and strong order intake

Q2 2021 Press Call

Munich, May 5, 2021

Christian Bruch, President and CEO Siemens Energy AG

Maria Ferraro, CFO Siemens Energy AG



Siemens Energy is a registered trademark licensed by Siemens AG.

© Siemens Energy, 2021

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.

© Siemens Energy, 2021

Christian Bruch

President and CEO Siemens Energy AG



Siemens Energy is a registered trademark licensed by Siemens AG.

© Siemens Energy, 2021

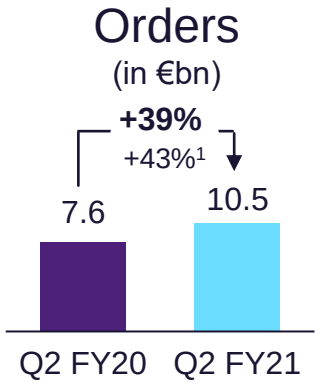
Siemens Energy:
Second quarter of Fiscal 2021

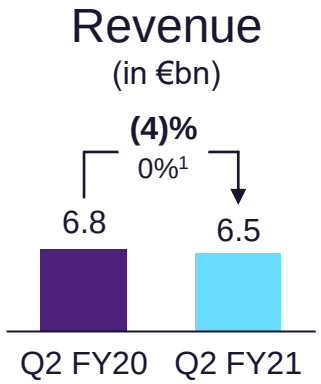
Financial figures

Highlights

Market environment

Guidance





Adj. EBITA before Special Items

€288m

Free Cash Flow
pre tax

€433m

- DAX-30 entry on March 22
- ESG initiatives rated positively by independent agencies
- Share buyback completed (~17m shares, average price €23.21)

- Large-scale investments triggered by stimulus programs expected
- Currency translation effects and continuing COVID-19 impact
- Increasing prices for raw materials

- Profitability outlook confirmed;
  range of expected revenue growth for the fiscal year was narrowed

1 Comparable (excluding currency translation and portfolio effects)

© Siemens Energy, 2021

COVID-19 update

Employees

- Health and safety of employees and customers remains top priority
- Free testing for employees at sites
- Mobile working regulations continue to be implemented (office occupancy rate at 5-35%)

Business continuity

- All fabrication sites operating, some with slightly reduced capacity
- No major supply chain interruptions despite dynamic development in the regions

Business impact

- Most project and service sites are in operation, but some construction sites are temporarily closed

© Siemens Energy, 2021

ESG update – sustainability as integral part of the strategy, positive evaluation of performance

Climate protection seal from the Science Based Targets Initiative (SBTi)

- Reduction targets confirmed on a scientific basis in line with Paris agreement
- Gas and Power segment: CO_2-emissions of products to be reduced by 27.5% over the entire usage phase by 2030
- Siemens Energy aims to be climate neutral in its own operations by 2030

Top ranking by ESG-agency Sustainalytics, others pending

- Rank 7 out of 177 companies worldwide (Industry Group „Electrical Equipment“)
- ESG Risk Rating „low“ (lowest risk rating)

Inclusion in S&P Global Clean Energy Index

Siemens Energy is a registered trademark licensed by Siemens AG.

© Siemens Energy, 2021

Executing our strategy

Focus and deliver on fundamentals

- **Global**: Measures to improve competitiveness are being implemented
- **Germany**: Ongoing negotiations with employee representatives on the implementation of measures communicated in February; agreement reached on a Voluntary Leaver Program

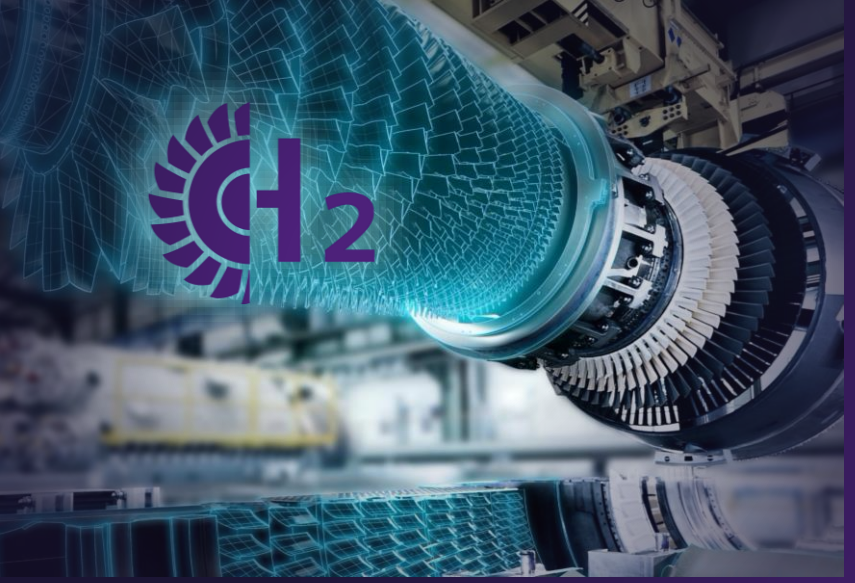
Co-create innovations with customers and partners

- Launch of Innovation Center **Shenzhen/China**: focus on intelligent energy systems, modern gas turbines and green hydrogen
- **Vattenfall**: Large-scale heat pump at Potsdamer Platz for climate-friendly energy supply in Berlin

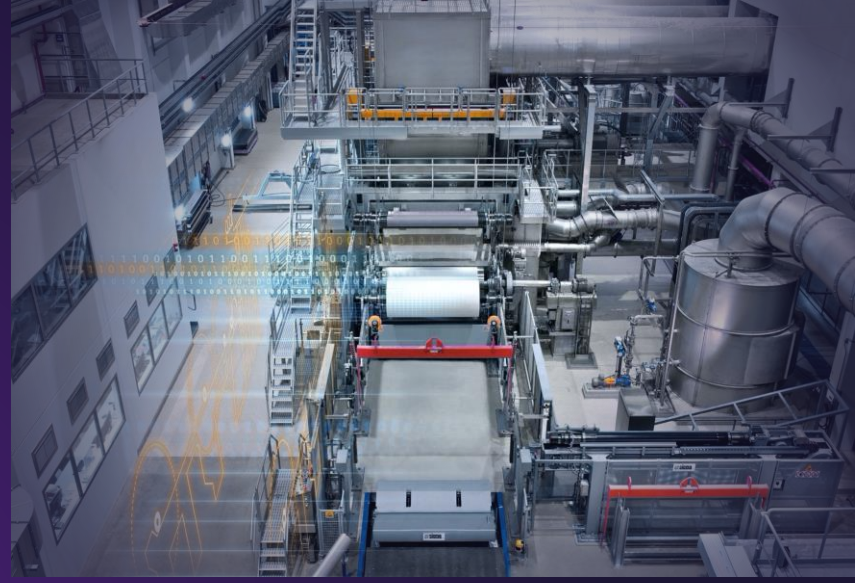
Starting the energy transformation

- Adding **Edge Computing Technology** (Edgeformer™/Edgegear™) to our digital power transmission portfolio: highest standards in cyber security and more efficiency for grid operators
- **Reactive Power Compensation**: grid stabilization technology (SVC PLUS) allows reliable integration of wind, solar and hydropower for CO_2-free power supply in California

© Siemens Energy, 2021







Low- or zero-emission power generation

Transport of electricity and storage

Reducing CO_2 footprint and energy consumption in industrial processes







Q2 FY21 awards & milestones

Cyprus: 50% lower CO_2 emissions in power gen

- **Supply of technology and long-term service** for Cyfield Mari 260 MW power plant
- Switch from **heavy fuel oil to natural gas**





China: Support for decarbonization plans

- Supply of 22 distribution transformers for the **first commercial 66kV offshore wind power project** in southeast China

Saudi-Arabia: Reliable energy supply for oil and gas infrastructure

- **Long-term service agreement** for equipment of Saudi Aramco‘s key oil fields
- Supply of **21 compressor trains** for critical gas project





UK: SGRE to deliver most advanced turbine technology

- 100 turbines of the 14 MW class for the **Sofia offshore wind project**
- First firm order of the **flagship** SG 14-222 DD turbine

Siemens Energy is a registered trademark licensed by Siemens AG.

© Siemens Energy, 2021

Maria Ferraro

CFO Siemens Energy AG

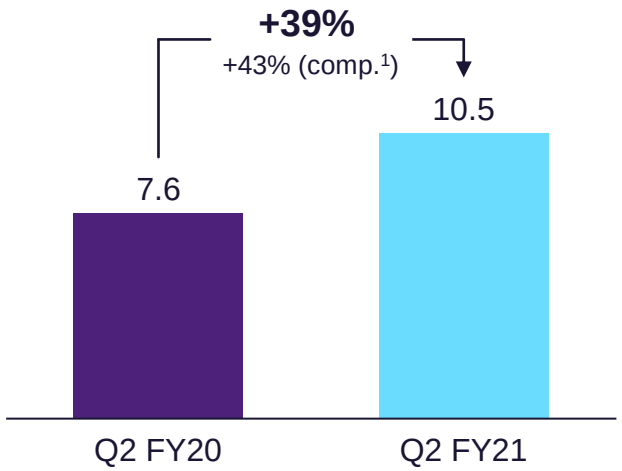


Siemens Energy is a registered trademark licensed by Siemens AG.

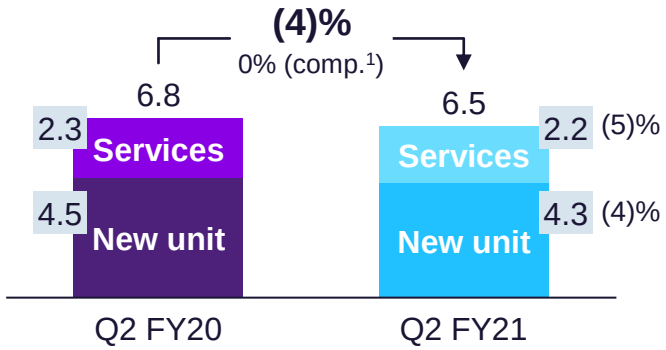
© Siemens Energy, 2021

Siemens Energy Group at a glance
Q2 FY21

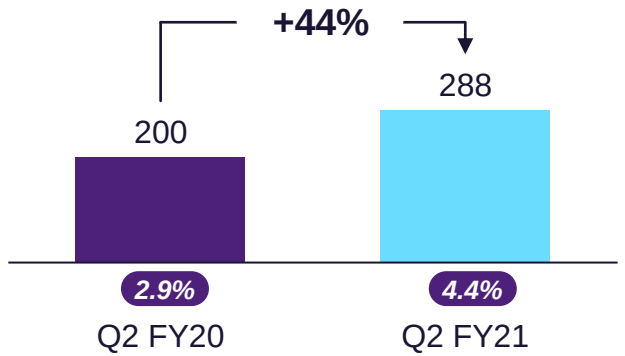
Orders (in €bn)



Revenue (in €bn)



Adj. EBITA before Special Items (in €m)



Order Backlog[2]
€84bn
Q1 FY21: €79bn

Book-to-Bill Ratio
1.6
Q2 FY20: 1.1

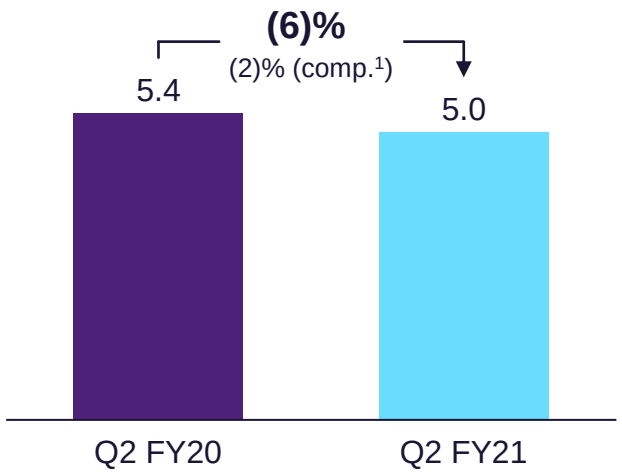
Free Cash Flow[3]
€433m
Q2 FY20: €(254)m

1 Comparable: excluding currency translation and portfolio effects | **2** As of March 31, 2021 | **3** Free Cash Flow pre tax

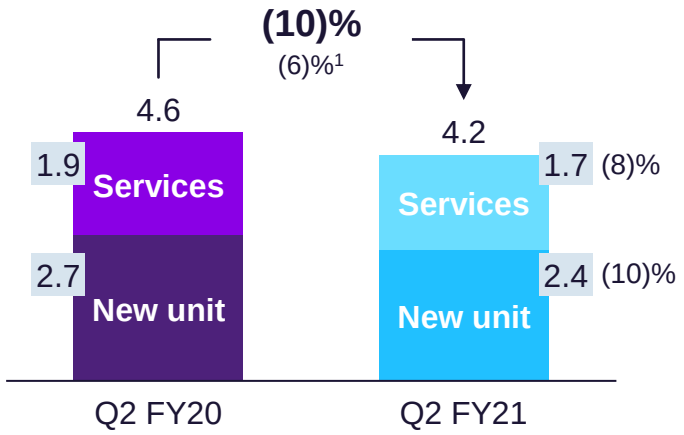
© Siemens Energy, 2021

Gas and Power at a glance
Q2 FY21

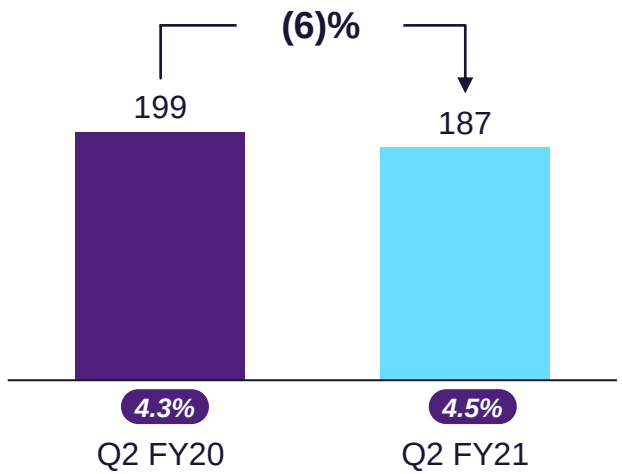
Orders (in €bn)



Revenue (in €bn)



Adj. EBITA before Special Items (in €m)



Order Backlog[2]
€51bn
Q1 FY21: €49bn

Book-to-Bill Ratio
1.2
Q2 FY20: 1.2

Free Cash Flow[3]
€481m
Q2 FY20: €102m

1 Comparable: excluding currency translation and portfolio effects | **2** As of March 31, 2021 | **3** Free Cash Flow pre tax

May 5, 2021 *x.x%* Adj. EBITA margin before Special Items

© Siemens Energy, 2021

Financial outlook and framework – Narrowing of revenue guidance range

		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%** *(prev. 2%-11%)*		
	% 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%** *(prev. 2%-12%)*		**Flat to 3%[1]**
	% Growth y-o-y[2]	2.8%	(4.7)%				
	Adj. EBITA before Special Items	**€1,517m**	**(€17)m**	**(1)%-1%** ✓	**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

© Siemens Energy, 2021

Questions & Answers

Christian Bruch and Maria Ferraro



Siemens Energy is a registered trademark licensed by Siemens AG.

© Siemens Energy, 2021

Financial calendar

2021

May 5
Q2 FY21

August 4
Q3 FY21

November 10
Annual press conference FY21

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

siemens-energy.com

Siemens Energy is a registered trademark licensed by Siemens AG.

© Siemens Energy, 2021