Strong orders, substantially higher revenue, positive Profit before Special Items held back by Siemens Gamesa

Press call Q2, fiscal year 2023

May 15, 2023

Christian Bruch, President and CEO Siemens Energy AG

Maria Ferraro, Chief Financial Officer Siemens Energy AG



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Information and forward-looking statements

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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.

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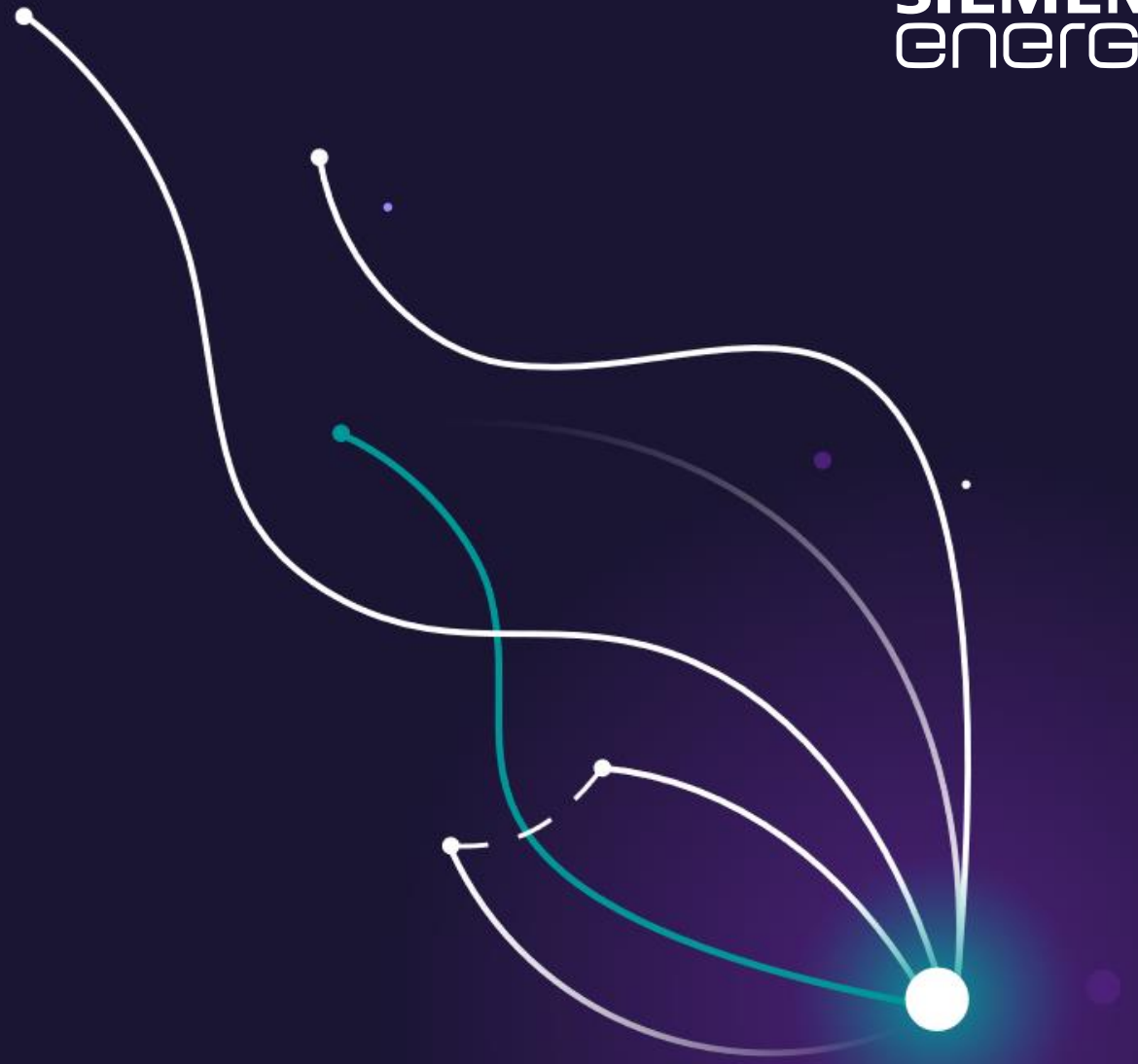
This document includes supplemental financial measures – that are not clearly defined in the applicable financial reporting framework – and that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives 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.

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Christian Bruch

President and CEO Siemens Energy AG



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Siemens Energy

in the second quarter FY 2023

Strong order intake confirms very good market positioning; positive profit burdened by Siemens Gamesa

Adjusted outlook: higher comparable revenue growth expected, profit margin at lower end of guidance range

Capital measures successfully implemented in past quarter; refinancing for purchase of remaining shares in wind business completed

May 15, 2023



Siemens Gamesa

Integration and Mistral program

Successful delisting; capital reduction in return for compensation of €18.05/share in preparation; Extraordinary Shareholder Meeting in June

Integration already partly underway; governance structure streamlined, central functions being standardized

Mistral strategy program consistently implemented; focus on balanced risk-reward profile for new projects and reliable execution



Our contribution to the energy transition

Power generation with low or zero emissions

Transport and storage of energy

Reducing greenhouse gas emissions & energy consumption in industrial processes

Gas Services



Highly efficient gas-fired power plant in Europe thanks to HL class (Romania)

Siemens Gamesa



Green energy for more than one million households in Great Britain

Grid Technologies



Siemens Energy links Italy‘s largest islands with the mainland

Transformation of Industry



Blueprint for commercial production of CO_2-neutral marine fuels

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Maria Ferraro

Chief Financial Officer Siemens Energy AG



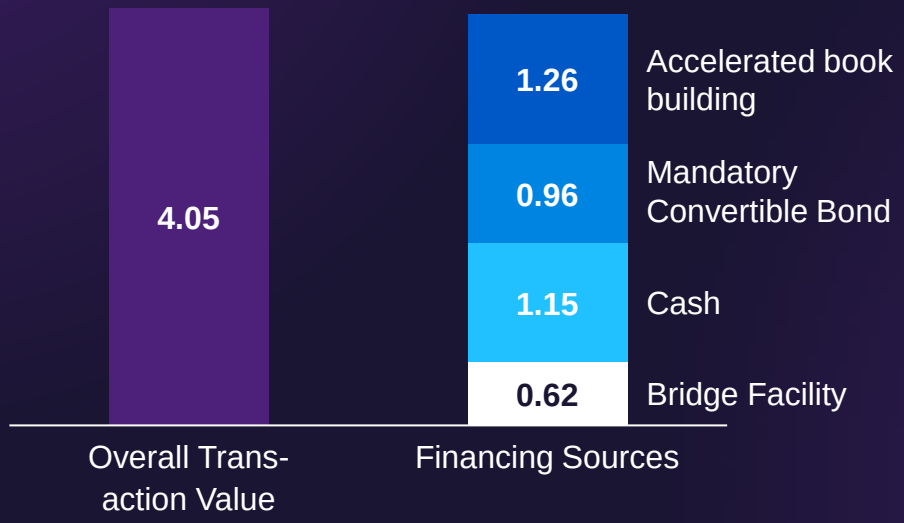
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Financing status for

Siemens Gamesa

Base scenario for 100% shareholding

in € bn

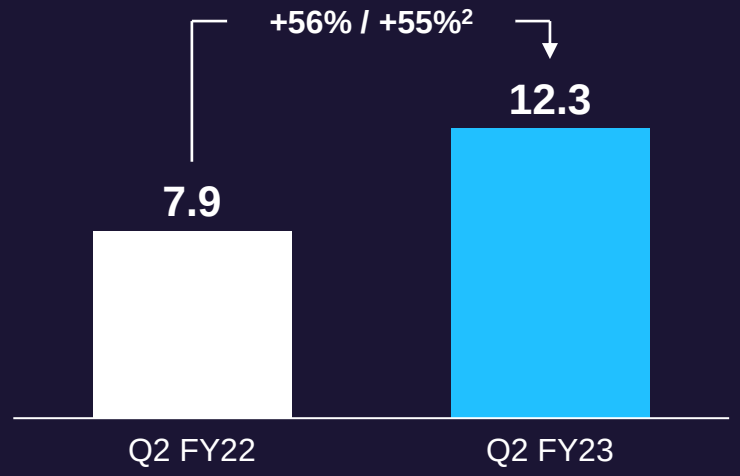


May 15, 2023

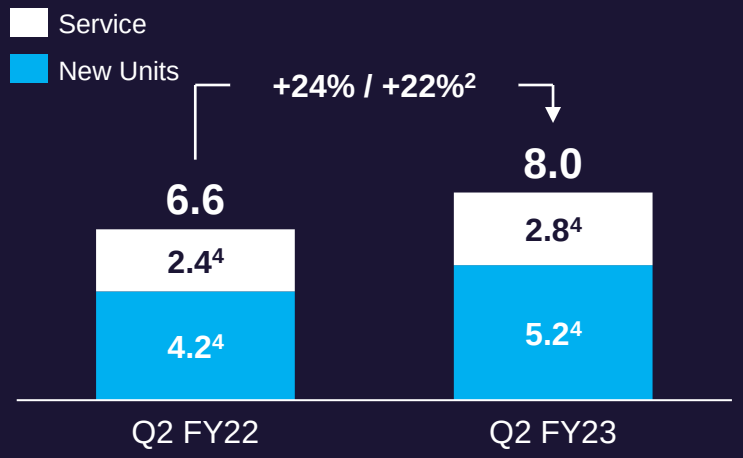
Siemens Energy Group in Q2 FY23[1]

Strong order and revenue growth

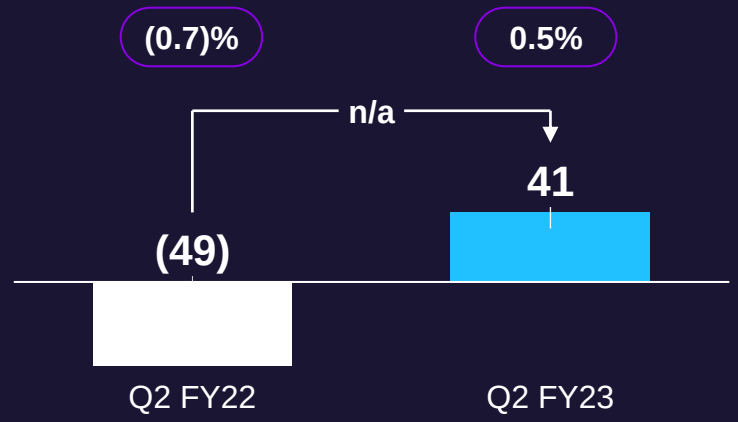
Orders
in €bn



Revenue
in €bn



Profit before Special Items
in €m



Order backlog[3]	**€102bn**	Q1 FY23: €99bn
Book-to-bill Ratio	**1.53**	Q2 FY22: 1.20
Free Cash Flow[5]	**€(294)m**	Q2 FY22: €(351)m

1 Prior year figures are presented on a comparable basis. | **2** xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal | **3** As of March 31, 2023 | **4** External revenue | | **5** Free Cash Flow pre tax

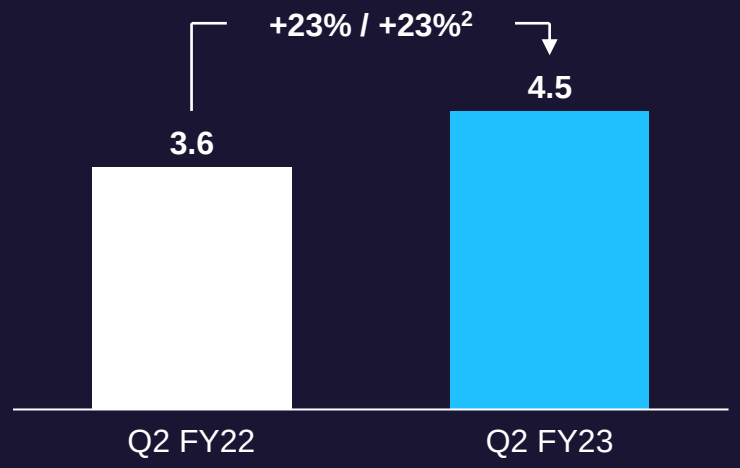
X.X% Profit margin before Special Items

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Gas Services in Q2 FY23[1]

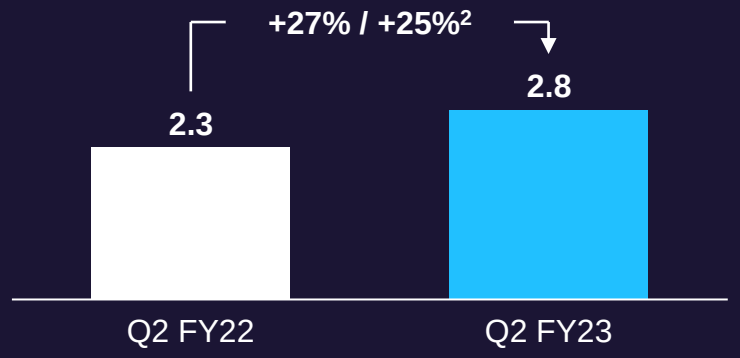
Strong improvement in orders, revenue and profit

Orders
in €bn



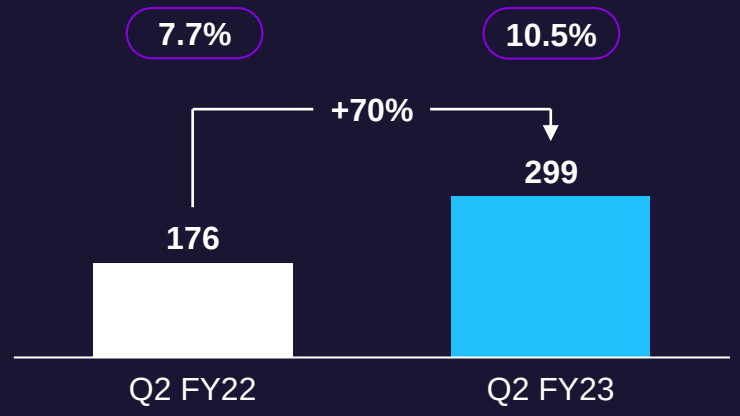
Substantial growth driven by demand in Europe; strong orders in Eastern Europe supporting coal-to-gas shift

Revenue
in €bn



Substantial growth driven by new unit business

Profit before Special Items
in €m



Sharp increase driven by higher revenue, improved cost structure, and service

1 Prior year figures are presented on a comparable basis. Beginning of fiscal year 2023, prior-year figures have been adjusted due to a change in accounting policies regarding derivative financial instruments | **2** xx%/xx% = comparable (excluding currency translation and portfolio effects) / nominal

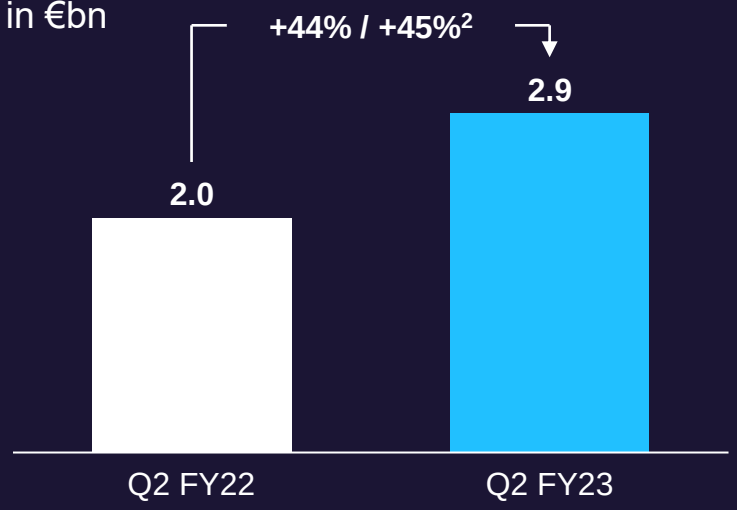
X.X% Profit margin before Special Items

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Grid Technologies in Q2 FY23[1]

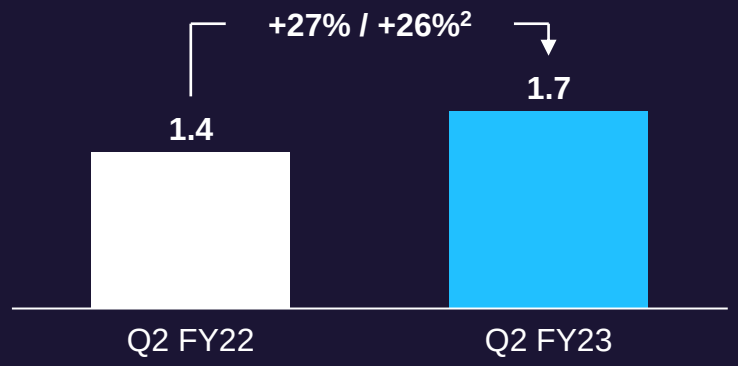
Substantial growth and better profitability

Orders
in €bn



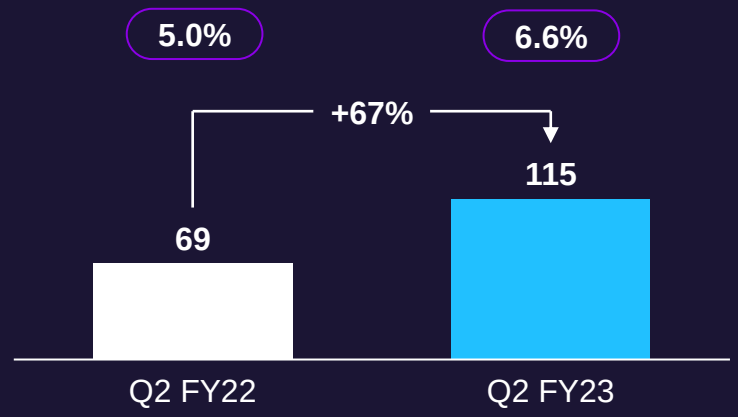
Continuous strong order momentum largely driven by product business

Revenue
in €bn



Substantial growth supported by all businesses on the back of the strong order intake in prior fiscal year

Profit before Special Items
in €m



Sharp increase driven by higher revenue, better business mix, and operational improvements

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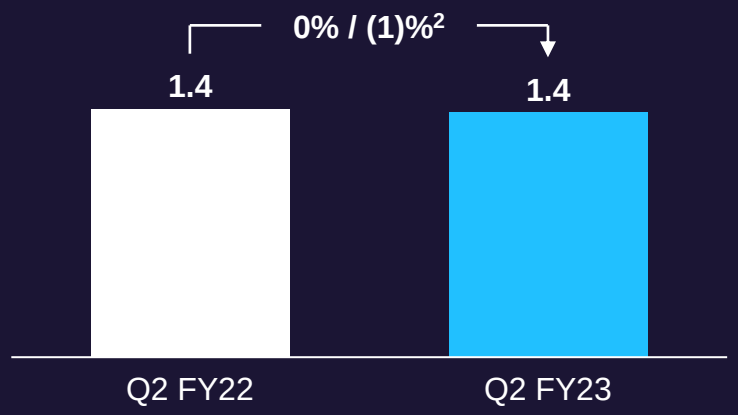
X.X% Profit margin before Special Items

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Transformation of Industry in Q2 FY23[1]

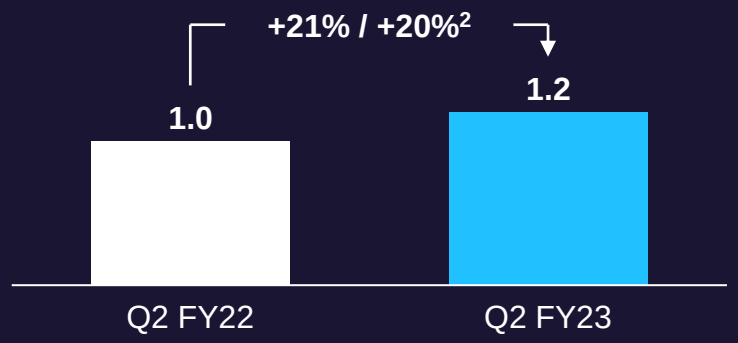
Strong margin progression across all businesses

Orders
in €bn



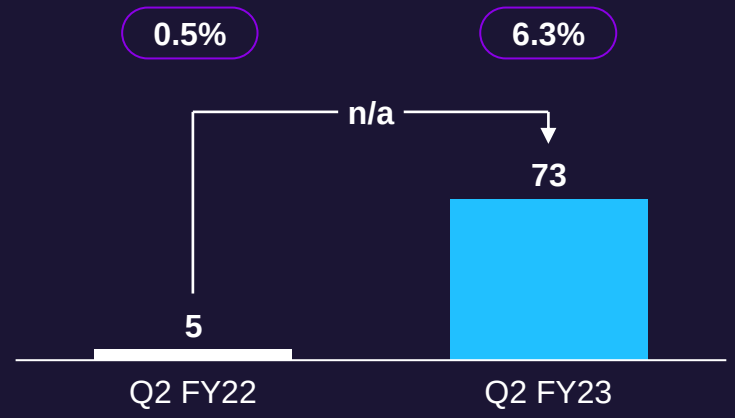
Strong prior-year quarter; service orders continue to drive profitable growth

Revenue
in €bn



Double-digit increase in all four businesses with substantial growth in service business

Profit before Special Items
in €m



Sharp improvement driven by higher revenue, operational improvements and better cost position

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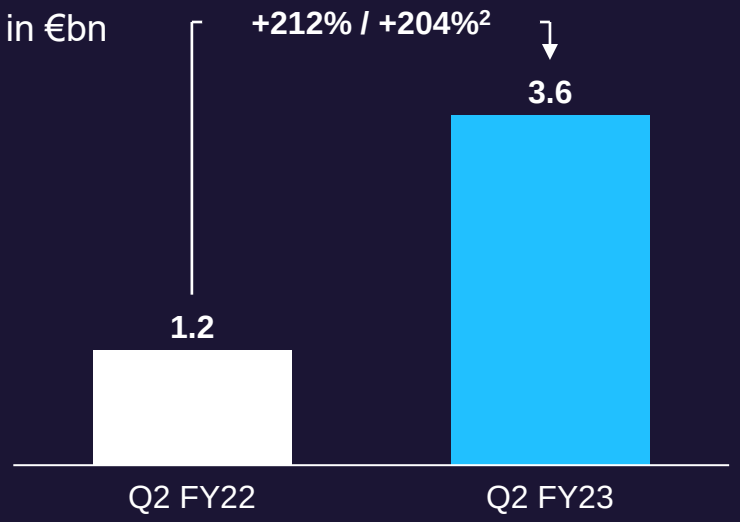
X.X% Profit margin before Special Items

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Siemens Gamesa in Q2 FY23[1]

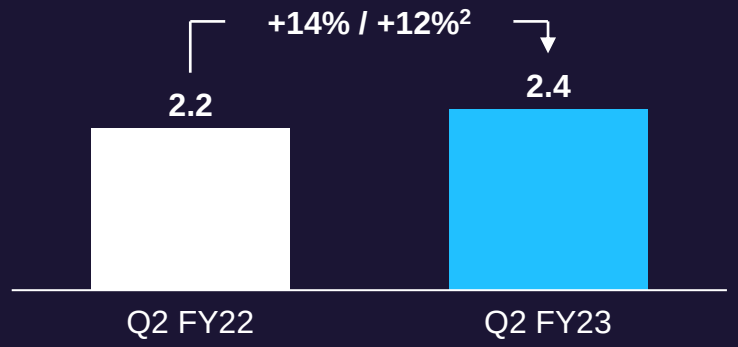
Continuous impact from onerous projects

Orders
in €bn



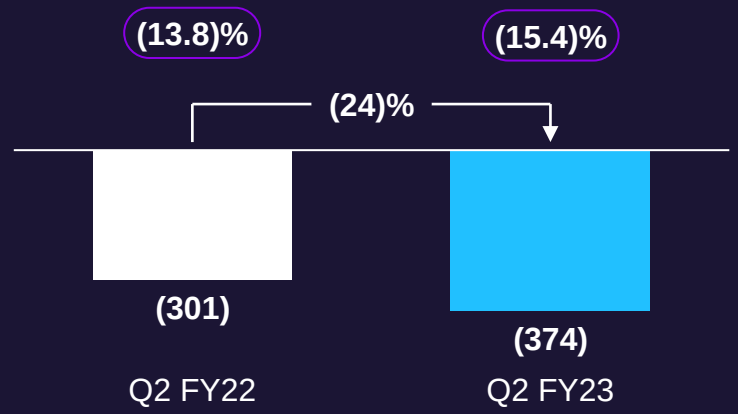
Sharp increase driven by Offshore business; strict selectivity with focus on profitability and risk-reward profile

Revenue
in €bn



Increases in all businesses (onshore, offshore, service)

Profit before Special Items
in €m



Profit burdened by execution of onerous projects, impact of inflation, and supply chain challenges

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X.X% Profit margin before Special Items

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Financial Outlook adjusted

Fiscal Year 2023

Outlook FY23[1]	Revenue Growth[2]	Profit[3] Margin before Special Items
Siemens Energy	**10 – 12%** *(prev. 3 - 7%)*	around the low end of **1 – 3%** *(prev. 1 - 3%)*

We expect a net loss exceeding prior fiscal year's level by up to a low triple-digit million € amount. *(prev. to be on prior fiscal year's reported level)*

We expect positive free cash flow pre tax up to a low triple-digit million € amount. *(prev. free cash flow pre-tax to be positive)*

Business Area Assumptions	Revenue Growth[2]	Profit[3] Margin before Special Items
Gas Services	10 – 12% *(prev. 0 - 4%)*	9 – 11% *(unchanged)*
Grid Technologies	12 – 14% *(prev. 5 - 9%)*	6 – 8% *(unchanged)*
Transformation of Industry	8 – 10% *(prev. 5 - 9%)*	3 – 5% *(unchanged)*
Siemens Gamesa	6 – 10% *(prev. n/a)*	towards neg. 11% *(prev. n/a)*

1 The outlook for Siemens Energy assumes no major negative financial impacts from COVID-19 or other pandemic-related events, no further deterioration in the supply chain and raw material cost environment, and excludes charges related to legal and regulatory matters. **| 2** Excluding currency translation and portfolio effects | **3** Profit: Earnings before financial result, income taxes, amortization expenses related to intangible assets acquired in business combinations, and goodwill impairments

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Christian Bruch

President and CEO Siemens Energy AG



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Siemens Energy benefits

from increased expansion of energy infrastructure

IRA ensures increasing investment in grids and stronger demand for renewables

Climate-neutral hydrogen as another pillar of decarbonization – visible market ramp-up in U.S.

Net Zero Industry Act of EU first step, but "Complexity Reduction Act" necessary

Siemens Energy portfolio well positioned for growing demand in U.S. and Europe



5 Measures

for the success of the energy transition

1. Expand renewables
2. Strengthen electricity grids
3. Drive efficiency improvements and decarbonization
4. Prepare conventional power infrastructure for energy transition
5. Secure supply chains and minerals

May 15, 2023



Questions & Answers

Christian Bruch and Maria Ferraro



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Financial calendar 2023

May 15 | 2nd quarter

June 12-13
Extraordinary Shareholder Meeting Siemens Gamesa

August 7 | 3rd quarter

November 15 | 4th quarter
Annual press conference

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