Press release

Berlin, June 5, 2025

Siemens Energy replaces federal guarantee with a new bank facility

Siemens Energy has completed the planned replacement of the €11 billion facility backed by the German federal government. A new €9 billion facility, together with existing guarantee lines, will continue to support and underpin the company's large-scale project business. The €1 billion facility previously backed by Siemens AG has also been replaced under the new agreement.

Maria Ferraro, CFO of Siemens Energy, said: "The federal government's counter-guarantee was instrumental in 2023 during a challenging phase to secure our strong anticipated growth. Due to our performance in the past two years and the positive market environment we were able to improve margins, cash flow and strengthen our balance sheet. This enabled us to replace the facility before the end of our fiscal year and deliver on our commitment as promised."

The new facility with a term of 5 years is provided by an expanded consortium of 23 international banks.

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Background information

Guarantees are a standard industry instrument to secure advance payments, performance, or warranty guarantees over the entire duration of projects. These guarantees are issued by banks for a fee. In practice, guarantees are rarely called upon, with a default rate of less than 0.5 percent.

In 2023, Siemens Energy had an order backlog of over €100 billion for the first time, which required correspondingly high guarantee commitments. Due to Siemens Energy's risk profile which at the time was affected by the announcement of provisions at the wind business, banks were reluctant to provide unsecured guarantees.

As a result, the German government provided a counter-guarantee in the amount of €7.5 billion. In return, the federal government received an annual fee without having to make any payments to Siemens Energy.

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Siemens Energy is one of the world's leading energy technology companies. The company works with its customers and partners on energy systems for the future, thus supporting the transition to a more sustainable world. With its portfolio of products, solutions and services, Siemens Energy covers almost the entire energy value chain – from power and heat generation and transmission to storage. The portfolio includes conventional and renewable energy technology, such as gas and steam turbines, hybrid power plants operated with hydrogen, and power generators and transformers.
Its wind power subsidiary Siemens Gamesa makes Siemens Energy a global market leader for renewable energies. An estimated one-sixth of the electricity generated worldwide is based on technologies from Siemens Energy. Siemens Energy employs around 100,000 people worldwide in more than 90 countries and generated revenue of €34.5 billion in fiscal year 2024. www.siemens-energy.com

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