SPEECH AT THE ANNUAL VIRTUAL SHAREHOLDERS' MEETING OF SIEMENS ENERGY AG

Dr. Christian Bruch

President and Chief Executive Officer of
Siemens Energy AG

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The report presented at the Annual Shareholders' Meeting will be delivered orally in German and may also deviate in its content from this version published in advance, in particular to take account of developments that have occurred in the meantime.

The report as orally delivered in German takes precedence.

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“We energize society.”

That is our purpose.

Helping our customers to transform their energy supply. With our broad and innovative portfolio. And with our global implementation expertise.

We energize society: But above all, this stands for the best team in our industry. We call it “Team Purple”. Our 100,000 colleagues. From over 150 nations. They work every day to ensure a safe and reliable energy supply. On this basis, economies and societies can evolve. I would like to thank you, dear employees, from the bottom of my heart for your daily commitment.

It is a real privilege for me to work with this team.

Dear shareholders,

Welcome to our Annual Shareholders’ Meeting 2025.

I am pleased to present to you today the results for the fiscal year 2024. Of course, I will also give you the outlook for 2025. I will show you how we are successfully positioning Siemens Energy.

How do we create value for our shareholders? For you?

- **Firstly: We are operating in an attractive market.** The global electricity demand is growing continuously. And with it the demand for our products and services.
- **Secondly: We have a robust business model**. Our order backlog has grown by a good 46 % over the past three years. Around half of this backlog is long-term service business. This means that we can already make a good estimate of future sales.
- **Thirdly: We are excellently positioned.** With our broad portfolio, we can serve our customers in all regions of the world. And from a leading market position.

We are at the beginning of a new age. The age in which electricity determines the energy world. Our environment will fundamentally change. It offers great opportunities for our company. We want to exploit these consistently. And that is why three elements are central to our strategy:

- Firstly, **resilience in a transforming world.**
- Secondly, **building the transforming energy world.**
- Thirdly, **transform the way we operate.**

Transformation is the central theme of our time. Shaping change is my top priority. This aspiration determines all three strategic priorities.

And that brings me to the first point:

Resilience in a transforming world.

The world is changing rapidly. Let us seize the opportunities presented by change. And at the same time overcome unexpected challenges.

There is currently an extremely high level of investment in the energy market. Particularly in the electricity market. Global demand for electricity is set to increase by around 50 percent over the next 15 years. At the same time, existing infrastructure needs to be modernized. Both offer us growth opportunities. And along the entire value chain, starting with renewables and conventional power generation. On to the grids. To industrial applications.

We are excellently positioned in this growing electricity market. Our business is based on many years of experience and strong technological expertise. The entry barriers into this market are therefore high.

But what **makes us a leading company** in our industry?

Our portfolio covers the entire energy value chain. We are the global market leader in offshore wind power. This also applies to our grid solutions business. And in our important business with large gas turbines, we are a strong number 2.

We have a broad customer base. It makes us more resilient to market fluctuations. We generate 42 % of our revenue in Europe. We make 30 % in America. In Asia, it is 18 %. And 10 % in the rest of the world. More than a third of our revenue comes from our high-margin service business.

We are at home in our markets. We are on the ground. As a local partner for our customers. We are a European company in Europe. We are a US company in the USA. And we are a Chinese company in China. We employ thousands of people in each of these countries. This makes us less vulnerable to trade conflicts.

Our close relationship with our customers pays off in many ways. In 2024, we were able to increase customer satisfaction by five points to 62 compared to the previous year. This figure indicates the extent to which customers recommend our products and services to others. Why is this so important? Technological expertise is of utmost importance in large infrastructure projects. But it is only one aspect. Ultimately, it is the trust of our customers that counts. And mutual appreciation. This often develops over decades. When this satisfaction grows, it speaks for the excellent work of our employees. Because in this turbulent world, it is always our customers who they focus on.

The order backlog rose to 123 billion euros in 2024. Thanks to our positioning and good customer relationships. More than a third of this, 50.2 billion euros, was added to our order books in the past year alone. And we were able to further increase the profitability of our order backlog.

In short, our good regional distribution and broad customer base form a reliable basis for future revenue.

For us, resilience also means further improving our supplier base and supply chains. Our supplier base is now much broader than in the previous year. We have significantly reduced the number of high-risk suppliers, particularly those with a significant impact on our business. By more than 50 percent. We have also made progress with capacity risks. Capacity risks arise when suppliers are unable to deliver sufficient quantities. We reduced these risks by 20 % last year. We have also been able to attract more suppliers from our European home markets. All of this makes us less dependent on individual partners. It reduces costs. And it strengthens the resilience of Siemens Energy.

The past fiscal year has been remarkable for us in every way. It was the year after the immense loss of 4.6 billion euros in 2023. Financial resilience was therefore at the heart of all our efforts. I am delighted this work is also reflected in the figures: We had **orders** of more than 50 billion euros. As a result, the **order backlog** reached a new record at the end of the financial year. 123 billion euros. And with a further improvement in margin quality. On a comparable basis, **revenue** rose by 12.8 % to 34.5 billion euros. **Earnings before special items** amounted to 345 million euros. **The profit margin** before special items of 1 % was at the upper end of the forecast range of -1 % to +1 %. Finally, **free cash flow** before taxes rose to 1.859 billion euros. This was more than twice as high as in the previous year.

All in all, **very solid figures**. Improved operating performance in the individual businesses contributed to this. Divestments also contributed to this. We have further sharpened our portfolio. Among other things, we sold the Trench Group. The grid components business. We also sold our shareholdings in Windar in Spain and Maschinenfabrik Reinhausen in Germany. In addition, we sold an 18 % stake in Siemens Limited India. In total, special items from disposals amounted to almost 2.179 million euros. This contributed to the positive result in 2024.

The rating agency S&P raised the outlook for Siemens Energy from negative to neutral in December 2024. Thanks to our improved financial situation.

The improved financial performance will also help us to redeem the counter-guarantees from the federal government. We want to achieve this as quickly as possible. Because that is the prerequisite for Siemens Energy being able to pay a **dividend** again.

In a rapidly changing world, **Siemens Energy is more resilient than many other industrial companies**. This remains a central element of our strategy. This enables us to successfully utilize the opportunities in our market environment. And create value for you, our shareholders.

Building the transforming energy world.

And that brings us to the second topic. Namely, the question of how we shape an energy world that is changing so much. First of all, this requires one thing: the expertise to implement our products and projects worldwide. I will explain why this is a

competitive advantage using a few examples. And for this, I have invited my colleague, Jennie Freitag. She is the lead engineer in our grid business.

- ***Christian Bruch:*** Dear Ms. Freitag, welcome. You and your team have built a converter platform in Cádiz, Spain, together with partners and customers. How can one imagine this?
- ***Jennie Freitag:*** A converter platform is needed to connect offshore wind farms, that are further out to sea, with the mainland. Our DolWin kappa, for example, transmits 900 megawatts. When my daughter asks me: What is 900 megawatts? I always say: that's enough energy to supply a million households with electricity.
- ***Christian Bruch:*** That's a huge number.
- ***Jennie Freitag:*** Yes. The construction we need for this is also huge. Take a look: the platform next to you is actually much, much bigger. It rises 56 meters out of the sea. As high as an 18-storey building. It weighs around 11,000 tons. And has to be anchored with 10 steel piles. They are driven 60 meters deep into the seabed.
- ***Christian Bruch:*** Why do you need this huge construction?
- ***Jennie Freitag:*** Huge is a good way of putting it. But the construction is also very complex. In the platform, we convert alternating current from several wind farms into direct current. We transport it loss-free over 90 kilometers to land. There, the direct current is converted back into alternating current and fed into the grid. It is a complex interplay of different technologies.
- ***Christian Bruch:*** Thank you very much. You go the extra mile for our customers. Engineers like you are the heart of Siemens Energy. And it is you who are shaping a new energy world. Thank you very much.

But this is just one example of our implementation strength. What would such a record-breaking platform be without a record-breaking wind turbine? Today, many of them are equipped with our 14-megawatt turbine. As the world market leader, however, we are one step ahead in terms of technology. What will the next generation of turbines look like? We are currently building the prototype of this turbine at the national test center in Denmark. It has **135-meter-long rotor blades**. Significantly longer than a soccer field. Now it is up to our engineers to gain experience

Our portfolio for offshore wind turbines is the key driver for the turnaround in our wind business. The market is set to grow by 27 % by 2030. We are already the global market leader here with our existing portfolio.

At the same time, we are stabilizing our business with onshore wind turbines. And we are improving our service business.

In short, we are continuing to work on returning our wind business to profitability in 2026.

The energy world is changing. And we are actively shaping this change. In 2025, we will invest around two billion euros in our existing locations and in new capacities. In doing so, we are promoting the growth of our core business.

We are building a new factory in Nuremberg for our grid business. There we produce converters that transform alternating current into direct current. In Weiz, Austria, we are tripling the production area of our wind transformer factory. In order to meet the demand for transformers in the USA, we are investing 150 million US dollars in our site in Charlotte, North Carolina. We are creating almost 600 new jobs there. In total, we want to create 6,000 new jobs in our grid business alone by 2028.

But a portfolio and factories are not enough in the energy business. The basis for our success is the people in the company. They make the difference. That is why the training and development of our employees is so important to us. Capable junior staff are a key pillar of our success.

As an example, I would like to show you what industrial training at Siemens Energy looks like.

- ***Christian Bruch:*** The best person to tell us more about our training is Christoph Kunz. He is our training manager. Siemens Energy is growing. And we are creating many new jobs. At the same time, demographic change means there are fewer and fewer young applicants. Christoph, what are we doing to make Siemens Energy attractive to young people?
- ***Christoph Kunz***: Four years ago, we began to radically rethink our training. We completely geared our public image towards Generation Z. Our new training concept is highly attractive to young people. The courage to explore new ways of doing things has paid off. But even more importantly: Siemens Energy is operating in a highly exciting market environment. Everyone is talking about energy technology. What you wouldn't have thought possible just a few years ago: the topic of energy is considered cool by many young people.
- ***Christian Bruch:*** I have to agree with the teenagers. That is good to hear. How have our training figures developed?
- ***Christoph Kunz:*** Tremendously. The number of trainees in Germany alone has more than doubled. We are currently recruiting more than 550 young people for the start of training in 2025. We can only manage this growth because we have consistently invested in training. In Germany, we have strengthened our training team. We have expanded the training centers in Hamburg, Mülheim and Erlangen. And we have also expanded training at many locations internationally.
- ***Christian Bruch:*** If we take a look at the training occupations. What kind of content do we need?
- ***Christoph Kunz***: We have developed our training both strategically and qualitatively. To this end, we have concentrated our offering from 68 to 32 core professions. And we added new topics. Resilience, agile project management, data analytics and artificial intelligence. These are just a few examples.

- ***Christian Bruch:*** Well, it has been a while since we were trainee age. You read a lot about the generation gap. And how baby boomers don't understand Generation Z. And vice versa. Is that an issue in training?
- ***Christoph Kunz***: Absolutely an important topic for us. That's why our trainers also had to explore new ways of thinking in many areas. We have focused very intensively on GenZ and Alpha. Our trainers were specially trained by a generation researcher. He knows exactly how best to motivate this generation. Because, they have grown up with the internet and digital technologies.
- ***Christian Bruch:*** Thank you very much, Christoph Kunz. Very interesting.

Siemens Energy needs a lot of talent to manage complex projects. Talents we attract through our training, among other things. They are a cornerstone of our success. This is the key. This is how we benefit from a rapidly changing energy world. Talent, our excellent portfolio and local value creation is what sets us apart.

Transform the way we operate.

Let me come to the third and final point of our strategy: We transform the way we operate.

Dear shareholders,

How can we improve every day and become more effective?

Let me start with a topic that is a top priority for me. The **safety of our employees.** Ensuring they can return to their families and friends safe and sound after work. This is our top priority. The overall accident rate for employees and contractors fell last year.

That was a step in the right direction. But we still have a way to go. Our goal is zero accidents at Siemens Energy. There are no compromises here. Only those who successfully implement safety can lead a business into a positive future.

And for me, a positive future means that each of our businesses must have a **leading market position.** Each of our businesses must generate a double-digit profit margin in the medium term. We have the right portfolio for this. And the right people too.

Now we need to get better every day at how we do things. Clear responsibilities and decision-making structures. Processes based on data and digitalization. And a corporate culture in which cost awareness plays an even more central role.

Keyword: clear and fast decisions. We took the first step two years ago. We drastically reduced the number of hierarchical levels in our company. This allowed us to react more flexibly and quickly to changes in the market.

A phase of strong growth lies ahead of us. This is the right time to further optimize our processes. By making decisions closer to the customer, we can reduce internal

bureaucracy. This will enable us to make even better use of the market's growth opportunities.

Keyword: data and digitalization. In recent years, we have continuously invested in a better IT infrastructure. And in digital approaches. This not only improves our internal processes. We are also creating added value for our customers. For example, through the use of artificial intelligence. For example, we use AI for the design of our gas turbines. This improves the design and maintenance quality. With the help of KI, we increase the lifetime of the turbine blades by 20%. KI software developed by us also optimizes the combustion process in the turbine. This reduces nitrogen oxide emissions by 10 %. And we use AI for remote diagnostics. This allows us to detect technical faults at an early stage. This avoids costly repairs after breakdowns.

However, transforming the way we operate is not just about internal processes. It is also about how we work more closely and effectively with external partners. For example, in **research and development**. Here we bring together different skills in mixed teams. For example, we have implemented a pilot project in Saudi Arabia with Saudi Aramco, the world's largest energy company. It is about CO_2 capture. We developed the technology together with our customer at our innovation center in the USA. We separate the CO_2 from the atmosphere and can store it. The next step is to plan a large-scale plant. This example shows: Innovations work best in close partnership. With bundled expertise and shared financial risk.

Continuously becoming more profitable also means focusing even more on **cost awareness**. Especially given the rapid growth of our business. Every euro we spend at Siemens Energy is paid for by our customers or our shareholders. That is why we have to handle this money carefully. Our focus on clear and quick decisions helps us to reduce internal bureaucracy. Procedures that do not create any customer benefit. This is a path that we have permanently anchored in our corporate culture.

At Siemens Energy, we are continuing to build on our strengths. Because our customers are the first to benefit from a fast, focused and decisive organization. And ultimately also you, our shareholders.

Outlook and final chord

This brings me to the end. Let me once again review the past financial year. Overall, we look back positively on 2024. But it is no more than a step in the right direction.

In view of the market situation described above, you, our owners, expect more from us in the medium term. And we want to fulfill your expectations.

I am personally committed to this. As President and CEO of Siemens Energy.

That is why I and we have set ourselves ambitious goals for the coming years. We are determined to build on the positive development of 2024. With a clear focus on the three strategic priorities outlined above.

The **development of our share price** shows this: We have regained trust. My sincere thanks go to you, our shareholders, for this. The share price rose by 272 % in the 2024 financial year. In early October 2023, it stood at 12.13 euros. A year later, it was already almost 33 euros. These are encouraging figures. However, this development also shows: Our investors expect a lot from our future performance. And we want to deliver on that.

For 2025, we expect comparable **revenue growth** of 8 to 10 %. And a **profit margin** before special items of 3 to 5 %. For 2028, we anticipate high single-digit to almost double-digit **revenue growth**. And **a margin** of 10 to 12 %.

The figures for the first quarter of 2025 confirm this forecast. You saw it last week. We are on the right track. The important thing now is to continue along this path consistently.

Dear shareholders,

There is still a lot to do: I expect top performance from all our businesses. This means that every business must achieve **double-digit margins** in the medium term. Otherwise, Siemens Energy is not the right owner.

So let me emphasize once again what I said at the beginning. **Three things** make me confident about the future:

- **Firstly: We are operating in an attractive market.** We benefit worldwide from the growing demand for electricity and the need to renew infrastructure.
- **Secondly: We have a robust business model**. This is demonstrated by our growing order backlog. And this means security for future revenue.
- **And thirdly, we are excellently positioned.** Our broad portfolio and our leading technology make us resilient to market fluctuations.

With this in mind, we will continue to work consistently on continuously increasing the value of Siemens Energy. Thank you for your trust. Also on behalf of the entire Managing Board and all our employees.

Thank you also for participating virtually today. This shows your trust and support once again. I look forward to welcoming you to a physical Annual Shareholders’ Meeting in 2026. We will then look back on a successful financial year 2025.

Because I am convinced that 2025 will take us further forward. True to our purpose: **"We energize society".**

Thank you very much for your attention.

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