

Press release

Munich, November 13, 2024

Siemens Energy achieves all annual goals and sets new targets for 2028

- Profit before Special items of €345 million, with a margin at 1%.
- Free cash flow pre tax rose sharply to €1.859 billion, improving net cash position.
- Siemens Energy's Net Income at €1.335 billion.
- New 2028 mid-term targets set for further growth and profitability.

Siemens Energy has successfully completed its 2024 fiscal year, meeting or exceeding all its financial targets. Driven especially by strong growth in the Grid Technologies and Gas Services business areas, orders reached €50.2 billion, revenue came in at €34.5 billion, leading to a Profit before Special items at €345 million (Profit margin before Special items: 1%). Siemens Energy's Net Income was €1.335 billion. All of Siemens Energy's business areas showed good progress in the 2024 fiscal year. The strong order backlog (€123 bn) builds the base for strong growth and rising profitability in the coming years. The wind business (Siemens Gamesa) is progressing in its turnaround as expected.

Christian Bruch, President and CEO of Siemens Energy, summarizes the fiscal year:

"Fiscal year 2024 was decisive for us. We achieved all our goals, driven by strong orders and project execution across all our businesses. Our focus remains on profitable growth, supported by highly favorable market conditions. The new mid-term targets until fiscal year 2028 reflect our leading role in the energy transition."

Strong performance in all business areas

Fiscal year 2024 marked an important transformation for Siemens Energy, showcasing progress in the enhancement of its wind business and the strong results of the other business areas amidst macroeconomic fluctuations and benefiting from a surge in electricity demand.

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With **order intake** of €50.2 billion, **order backlog** reached another new record of €123 billion, with further improvement in the margin quality. The business area Grid Technologies particularly contributed to the growth, with a 34% comparable increase from last year. As expected, orders at Siemens Gamesa reduced considerably due to the sales stop of the 4.X and 5.X platforms for the fiscal year.

Revenue increased by 12.8% on a comparable basis to €34.5 billion, with all segments contributing to this growth, slightly exceeding the group outlook (10% - 12%).

Profit before Special items came in at €345 million. Grid Technologies and Transformation of Industry exceeded their profit targets for the year, while Gas Services and Siemens Gamesa came in within expectations. The **Profit margin before Special items** of 1% came in at the upper end of the guided range of negative 1% to positive 1%.

Free cash flow pre tax increased to €1.859 billion, more than doubling from last year and exceeding the adjusted guidance of €1 billion to €1.5 billion, with solid profit developments in all business areas excluding Siemens Gamesa. Adjusted net cash position for the company was €1.95 billion.

The **Net Income** of Siemens Energy was €1.335 billion. Further details and the figures for the fourth quarter can be found in the appendix.

Significant progress in 2024

The fiscal year started with an agreement between Siemens Energy and the German government for counter guarantees to secure the growing order backlog and growth of the company. Siemens Energy intends to exit the federal counter guarantees as soon as possible as these are subject to considerable additional fees. According to this agreement, no dividends may be distributed for fiscal years in which a bank consortium has issued guarantees backed by the federal guarantee. The Executive Board and Supervisory Board have therefore decided not to propose a dividend payment at the Annual Shareholders' Meeting in February 2025. The dividend policy of Siemens Energy generally provides for a payout ratio of 40% to 60% of the Net income attributable to shareholders of Siemens Energy AG.

The **Gas Services** business area saw another strong year of orders, with 28% comparable growth to €16.4 billion. Large orders include a \$1.5 billion order for gas turbines and key technologies in Saudi Arabia.

The **Grid Technologies** business area continued to capitalize on the worldwide need for grid expansion. The business area booked major orders and has met unprecedented demand by announcing multiple expansions of its manufacturing footprint. These include an extension of the factory in India and a new factory in Charlotte, North Carolina to provide much-needed power transformers for the U.S. market. In addition, a new vacuum interrupter factory in Berlin is now making critical switchgear components free of climate-damaging SF₆ gas.

The business area **Transformation of Industry** helps industrial companies reduce their carbon footprint. In the fourth quarter, this business achieved the highest orders to date and clearly exceeded the prior-year basis, driven mainly by Compression and Sustainable Energy Systems.

Siemens Gamesa continued its turnaround in 2024. The integration and restructuring of the business have continued and is committed to break even in fiscal year 2026. Sales activities for the 4.X onshore platform have restarted at the end of the fiscal year with low volume. The ramp-up of the offshore business continued in the fiscal year. For example, from the first half of the year to the second half, the output at the Cuxhaven site has roughly doubled.

Electricity growth drives outlook for fiscal year 2025 and mid-term targets

Global demand for electricity is rising, driven by a growing population and rising living standards, electrification and decarbonization of industry, as well as datacenters, driven by developments in artificial intelligence. According to different scenarios¹, global electricity demand will almost double by 2050, rising from 26,000 TWh in 2023 to 50,000 TWh. Siemens Energy anticipates overall favorable conditions in relevant markets across its entire portfolio.

This growth is also reflected in Siemens Energy's outlook for the 2025 fiscal year and beyond. For fiscal year 2025, Siemens Energy expects to achieve comparable revenue growth (excluding currency translation and portfolio effects) in a range of 8% to 10%² and a Profit margin before Special items between 3% and 5%³.

¹ This one outlined by the International Energy Agency (IEA), see 2024 report.

² Actual figure FY 2024: 12.8%.

³ Actual figure FY 2024: 1%.

The company expects Net Income to be positive due to assumed positive Special items subsequent to the demerger of Siemens Limited, India. Without these gains, Siemens Energy expects Net income to be around break-even. Free cash flow pre tax is expected to be up to €1 billion⁴.

For the assumptions for each business area, find more details in the appendix.

Siemens Energy also unveiled new mid-term financial targets for the 2028 fiscal year that will set the course for the company's profitable growth trajectory over the coming years. The company expects to achieve a compound annual revenue growth on a comparable basis in a high single-digit to low double-digit percentage range until fiscal year 2028. For the Profit margin in fiscal year 2028, the company strives to reach a range between 10% to 12%.

Maria Ferraro, CFO of Siemens Energy, says: "We are committed to maintaining a strong balance sheet commensurate with a solid investment grade rating. I am therefore very pleased that in FY24 we were able to deliver robust cash flow and to accelerate our portfolio transformation program to end the year with a strong net cash position, demonstrating Siemens Energy's financial health and resilience. We are now well-positioned to deliver strong growth with rising margins to create sustainable shareholder value.

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⁴ Actual figure FY 2024: €1.859bn

Overview of Segment figures

(in millions of €)	Orders				Revenue				Profit before SI		Profit margin before SI		Assets		Free cash flow pre tax	
	Q4		Actual	Change Comp.	Q4		Actual	Change Comp.	Q4		Q4	Sep 30, 2024	Sep 30, 2023	FY 2024	FY 2023	
	FY 2024	FY 2023			FY 2024	FY 2023			FY 2024	FY 2023						
Gas Services	3,557	2,499	42.3%	40.2%	2,742	2,794	(1.8)%	0.5%	141	124	5.2%	4.4%	2,538	2,782	210	167
Grid Technologies	5,395	2,282	136.4%	138.7%	2,704	2,021	33.8%	38.9%	277	158	10.2%	7.8%	599	2,388	549	423
Transformation of Industry	2,066	1,672	23.6%	28.2%	1,380	1,217	13.4%	13.9%	93	30	6.7%	2.4%	1,778	1,856	111	162
Siemens Gamesa	4,145	4,226	(1.9)%	(2.8)%	3,082	2,592	18.9%	19.7%	(458)	(664)	(14.9)%	(25.6)%	258	(183)	48	286
Reconciliation to Consolidated Financial Statements	(150)	(102)			(167)	(102)			(136)	(136)	n/a	n/a	45,702	41,064	13	70
Siemens Energy	15,013	10,577	41.9%	42.3%	9,741	8,521	14.3%	16.6%	(83)	(487)	(0.9)%	(5.7)%	50,874	47,907	932	1,108

(in millions of €)	Orders				Revenue				Profit before SI		Profit margin before SI		Assets		Free cash flow pre tax	
	Fiscal year		Actual	Change Comp.	Fiscal year		Actual	Change Comp.	Fiscal year		Fiscal year	Sep 30, 2024	Sep 30, 2023	Fiscal year 2024	Fiscal year 2023	
	2024	2023			2024	2023			2024	2023						
Gas Services	16,365	12,897	26.9%	28.3%	10,796	10,914	(1.1)%	1.4%	1,021	1,035	9.5%	9.5%	2,538	2,782	1,393	970
Grid Technologies	20,901	15,798	32.3%	34.3%	9,280	7,180	29.2%	32.2%	976	545	10.5%	7.6%	599	2,388	2,228	1,236
Transformation of Industry	6,413	5,569	15.2%	17.8%	5,109	4,438	15.1%	16.3%	380	229	7.4%	5.1%	1,778	1,856	411	192
Siemens Gamesa	7,256	16,836	(56.9)%	(56.7)%	10,008	9,092	10.1%	11.1%	(1,781)	(4,347)	(17.8)%	(47.8)%	258	(183)	(2,123)	(1,604)
Reconciliation to Consolidated Financial Statements	(708)	(654)			(727)	(506)			(251)	(238)	n/a	n/a	45,702	41,064	(50)	(10)
Siemens Energy	50,226	50,446	(0.4)%	0.9%	34,465	31,119	10.8%	12.8%	345	(2,776)	1.0%	(8.9)%	50,874	47,907	1,859	784

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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 99,000 people worldwide in more than 90 countries and generated revenue of €34.5 billion in fiscal year 2024. www.siemens-energy.com