Unleashing the full potential of SGRE

August 27, 2020
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Agenda

10:00 Introduction Market & Strategy Andreas Nauen – SGRE CEO

10:40 Onshore Andreas Nauen – SGRE CEO
   Offshore Pierre Bauer – SGRE OF CEO (acting)
   Service Juan Gutiérrez – SGRE SE CEO

11:45 Coffee Break

12:00 Q&A I SGRE CEO & BU CEOs
   Financial Framework Thomas Spannring – SGRE CFO (acting)
   Conclusion Andreas Nauen – SGRE CEO

13:00 Q&A II All speakers
Installation of SG 11.0-193 DD prototype, Denmark

Preferred supplier agreements with new SG 14-222 DD in USA, UK and Taiwan

First orders of new SG 5.8-170 in Sweden and Brazil

Unrivalled track record

Service operation vessel – floating warehouse with walk-to-work turbine access

Siemens Gamesa Renewable Energy - Capital Markets Day 2020
Unleashing the full potential of Siemens Gamesa

Clear value creation story:
- Turnaround Onshore to sustainable profitability
- Capture growth in Offshore and Service

LEAP program launched

Prioritizing profit over volume

Focus on cash generation

Commitment to sustainability
Market & Strategy
Andreas Nauen, SGRE CEO
Content

01 Market Context

02 Siemens Gamesa Corporate Strategy

03 Conclusion
Growth of renewable electricity generation at close to 5% per year and renewables to contribute more than 50% of capacity mix by 2040

<table>
<thead>
<tr>
<th>World final energy consumption¹</th>
<th>Electricity generation¹</th>
<th>Generation capacity mix¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thousand TWh</td>
<td>Thousand TWh</td>
<td>TW</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% CAGR</td>
</tr>
<tr>
<td>2018</td>
<td>2040</td>
<td></td>
</tr>
<tr>
<td>116</td>
<td>147</td>
<td>13.1</td>
</tr>
<tr>
<td>24%</td>
<td>27</td>
<td>41</td>
</tr>
<tr>
<td>2.2%</td>
<td>44%</td>
<td>4.5%</td>
</tr>
<tr>
<td>19%</td>
<td>26%</td>
<td>35%</td>
</tr>
<tr>
<td>1.1%</td>
<td>2.0%</td>
<td>0.9%</td>
</tr>
<tr>
<td>2018</td>
<td>2040</td>
<td>2018</td>
</tr>
<tr>
<td>116</td>
<td>24%</td>
<td>44%</td>
</tr>
<tr>
<td>2018</td>
<td>27</td>
<td>7.2</td>
</tr>
<tr>
<td>24%</td>
<td>44%</td>
<td>55%</td>
</tr>
<tr>
<td>2.2%</td>
<td>4.5%</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

© Siemens Gamesa Renewable Energy S.A. 1) IEA WEO 2019 (Stated Policies scenario)
## Wind power attracting largest pool of investments and recent trends confirm potential

### 2020-2040 investments in renewable power

<table>
<thead>
<tr>
<th>Source</th>
<th>Value ($bn/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wind</td>
<td>178</td>
</tr>
<tr>
<td>Solar PV</td>
<td>135</td>
</tr>
<tr>
<td>Hydro</td>
<td>25</td>
</tr>
<tr>
<td>Biomass</td>
<td>4</td>
</tr>
<tr>
<td>Geothermal</td>
<td>1</td>
</tr>
</tbody>
</table>

**2020-2040 Investments in Renewable Power**

### % change in expected annual investments until 2040 vs. 2017 outlook

<table>
<thead>
<tr>
<th>Energy Source</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wind</td>
<td>19%</td>
</tr>
<tr>
<td>Solar PV</td>
<td>9%</td>
</tr>
<tr>
<td>Hydro</td>
<td>-47%</td>
</tr>
<tr>
<td>Biomass</td>
<td>-29%</td>
</tr>
<tr>
<td>Geothermal</td>
<td>-48%</td>
</tr>
</tbody>
</table>

**% Change in Expected Annual Investments Until 2040 vs. 2017 Outlook**

1) BNEF NEO 2019, based on 2018 USD value
2) Expectation of annual investments in BNEF NEO 2019 vs. expectation in BNEF NEO 2017; for comparison, inflation rate considered between reported NEO 2019 and NEO 2017 values
Wind at the center of energy transition, with green hydrogen adding vast additional demand potential

Global green hydrogen production (million metric tons)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Planned Energy Scenario</th>
<th>Transforming Energy Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>&lt;1</td>
<td>9</td>
</tr>
<tr>
<td>2030</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>2050</td>
<td>160</td>
<td>25</td>
</tr>
</tbody>
</table>

Implied electricity demand (TWh)

- c. 450/c. 1,200
- c. 1,200/c. 7,500

Wind capacity required\(^2\) (GW)

- c. 40/c. 110
- c. 110/c. 710

\(^1\) Source: IRENA, Global renewables outlook 2020; “Planned Energy Scenario: a perspective on energy system developments based on governments’ current energy plans and other planned targets and policies (as of 2019)”; “Transforming Energy Scenario: an ambitious, yet realistic, energy transformation pathway based largely on renewable energy sources and steadily improved energy efficiency”

\(^2\) SGRE estimation, average capacity factor of 0.4 assumed
Favourable trends unchanged by Covid-19: Renewables with high demand resilience and expected to play a key role in economic recovery

High demand resilience

Primary energy demand change¹
(2020 vs. 2019 in %)

-10
-5
0
5

Renewables
Total energy demand
(+)
(-)

- Renewable energy showed high resilience during the Covid-19 crisis
  - Expected to be the only energy source with increasing demand in 2020
- Record investments in wind energy in first half of 2020 despite Covid-19²

Strong role in recovery plans

$54 billion of green support plans approved by more than 15 countries³

Green recovery a central pillar in the total €1.85 trillion European recovery plan

Policy support for renewables to cope with Covid-19 challenges, e.g.
  - Extension of PTC qualification in USA

2) BNEF Clean Energy Investment Trends 1H 2020
3) BNEF report based on government announcements until July, 2020; countries on the list include Germany, France, Denmark, Canada and UK, among others
Very strong growth in Offshore and Service during next five years and beyond. Demand in Onshore remains solid.

**Market Size**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2025</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Onshore</strong></td>
<td>56</td>
<td>57</td>
<td>67</td>
</tr>
<tr>
<td><strong>Offshore</strong></td>
<td>6</td>
<td>20</td>
<td>28</td>
</tr>
</tbody>
</table>

**Growth (CAGR %)**

<table>
<thead>
<tr>
<th></th>
<th>2019-2025</th>
<th>2025-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Onshore</strong></td>
<td>0%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Offshore</strong></td>
<td>22%</td>
<td>7%</td>
</tr>
</tbody>
</table>

**Annual installations (GW)**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2025</th>
<th>2030</th>
</tr>
</thead>
<tbody>
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<td>67</td>
</tr>
<tr>
<td><strong>Offshore</strong></td>
<td>6</td>
<td>20</td>
<td>28</td>
</tr>
</tbody>
</table>

**Annual O&M market size (€bn)**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2025</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service</strong></td>
<td>15</td>
<td>24</td>
<td>35</td>
</tr>
</tbody>
</table>

1) Source: Wood Mackenzie Global Wind Power Market Outlook Q2/2020 (until 2029), 2030 data based on SGRE own estimation
2) Source: Wood Mackenzie O&M reports (until 2028), 2030 data based on SGRE own estimation
Industry has gone through significant headwinds that have driven margin erosion, but outlook favouring recovery

<table>
<thead>
<tr>
<th>Major industry headwinds (2017 - 2019)</th>
<th>2020</th>
<th>Outlook¹ (2021 - 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction of auctions around the globe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply chain challenges with increases in commodity prices and tariffs amidst record volumes in the industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Global industry hit by Covid-19, especially in supply chain</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Impact in demand mainly resulting in volume shift / delay in installations of onshore projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Transition to auctions mostly completed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Pricing trends normalized</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Commodity prices relaxed over last quarters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Some tariff uncertainty remains, but mitigating actions developed by the industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Global supply chain ramped up</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Assumes that there is no second wave of Covid-19 or a significant prolongation of the current pandemic
## Content

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<td>02</td>
<td>Siemens Gamesa Corporate Strategy</td>
</tr>
<tr>
<td>03</td>
<td>Conclusion</td>
</tr>
</tbody>
</table>
SGRE as an essential part of Siemens Energy, our strategic core shareholder, that brings strong synergy potential

--- Strategic core shareholder ---

- Siemens Energy: 67%
- Free-float: 33%

--- Synergetic relationship ---

- License agreement\(^1\) for exclusive use of combined designation / trademark “Siemens Gamesa”
- Financial guarantees remain in place at competitive cost and preferred financing relationship with Siemens Financial Services
- Procurement agreements
- Procurement pooling
- Go-to-market synergies: key account management and regional support
- Strategic collaboration and combined offerings potential: service business, hydrogen, storage etc.

--- Board representation ---

- Executive - CEO: 1
- Independent board members: 4
- Proprietary board members: 5

\(^1\) No license fee is payable under the agreement
Where we stand today: Right foundation in place

**Sustainability**
Member of major ESG indexes

**Execution Capabilities**
World’s largest offshore wind park
Hornsea ONE commissioned on time

**Scale & Global footprint**
More than 100 GW installed
Onshore installed base in >70 countries

**People**
International and skilled teams across the globe

**Technology**
~2,000 dedicated R&D staff with >5,800 patents

**Financial Strength**
First wind OEM with Investment Grade
Solid liquidity position
Where we stand today: Strong competitive and profitable position in growing OF and SE markets. Significant potential out of turnaround in ON

<table>
<thead>
<tr>
<th>Market position</th>
<th>Onshore</th>
<th>Offshore</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>#3</td>
<td>#1</td>
<td>#2</td>
<td></td>
</tr>
<tr>
<td>Market growth</td>
<td>=</td>
<td>✔✔</td>
<td>✔</td>
</tr>
<tr>
<td>Current contribution to SGRE profitability</td>
<td>✗</td>
<td>✔</td>
<td>✔ ✔</td>
</tr>
</tbody>
</table>

1) SGRE last twelve months revenue and backlog as of Q3 FY20
2) Pipeline made of preferred supply agreements and conditional orders that are not part of SGRE’s Offshore backlog
3) Based on 2019 WTG installations (for Onshore and Offshore; Onshore excluding China) and O&M fleet size (for Service)
First 60 days as CEO: Setting the foundation for an exciting journey

- Strategy for 21-23 period defined
- Budget completed
- Q3 financials closed
- Listening to investors: Roadshow
- New management appointed
- Close alignment with Board of Directors. Delegated Executive Committee activated

Onshore

- Acting CEO of ON business
- Defined key pillars for ON turnaround
- Designed action plan for India
- Improved transparency on cost / risk profile for Sales and Projects
SGRE positioned for leadership in value creation: Strategy

<table>
<thead>
<tr>
<th>What</th>
<th>How</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return to sustainable profitability</td>
<td>▪ Focus on profitable volume &amp; de-risk business</td>
</tr>
<tr>
<td>Capture market growth through profitable leadership position</td>
<td>▪ Introduce new leading technology</td>
</tr>
<tr>
<td>Grow above market sustainably at benchmark profitability</td>
<td>▪ Reduce supply chain complexity</td>
</tr>
<tr>
<td></td>
<td>▪ Reinforce project execution capabilities</td>
</tr>
<tr>
<td></td>
<td>▪ Reorganization to optimize performance</td>
</tr>
<tr>
<td></td>
<td>▪ Maintain technological differentiation</td>
</tr>
<tr>
<td></td>
<td>▪ Globalization with market expansion and early customer engagement</td>
</tr>
<tr>
<td></td>
<td>▪ Execution excellence</td>
</tr>
<tr>
<td></td>
<td>▪ Continue to develop new business models together with customers</td>
</tr>
<tr>
<td></td>
<td>▪ Focus on innovation, productivity and operational excellence</td>
</tr>
<tr>
<td></td>
<td>▪ Capture potential of profitable multi-brand business</td>
</tr>
</tbody>
</table>
SGRE positioned for leadership in value creation: Financial framework for 2023 and beyond

Profitable Growth

- EBIT margin pre PPA and I&R costs: 8-10%
- Book-to-Bill > 1
- Grow faster than the market\(^1\)

Focus on Cash

- CAPEX: c. 5% of revenue
- Working capital < 0% of revenue
- Cash conversion rate\(^2\) > 1-growth
- Net financial debt / EBITDA < 1.0x

Capital Efficiency

- ROCE > WACC
- Dividend policy: payout ratio ≥ 25% of net income

Sustainability at the core

1) In MW and EUR
2) Before Adwen-related payments; growth measured in terms of order intake volume (MW) growth
New management team with proven track record appointed

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Experience and Background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andreas Nauen</td>
<td>Siemens Gamesa CEO</td>
<td>MBA. Dipl. Engineer in Mechanics and Economics. ~ 15 years in the wind industry</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; 10 years proven record as CEO of wind businesses (incl. SGRE OF)</td>
</tr>
<tr>
<td>Lars Bondo Krogsgaard</td>
<td>ON CEO – from November 1st</td>
<td>~ 20 years in the wind industry</td>
</tr>
<tr>
<td>Pierre Bauer</td>
<td>OF CEO (acting)</td>
<td>~ 25 years of experience in different industries</td>
</tr>
<tr>
<td>Juan Gutiérrez</td>
<td>SE CEO</td>
<td>~ 15 years in the power generation business (incl. wind)</td>
</tr>
<tr>
<td>Beatriz Puente</td>
<td>CFO – from December 1st</td>
<td>~ 20 years as financial manager</td>
</tr>
<tr>
<td>Christoph Wollny</td>
<td>COO</td>
<td>&gt; 25 years industrial experience</td>
</tr>
<tr>
<td>Jürgen Bartl</td>
<td>General Secretary</td>
<td>~ 20 years as legal expert</td>
</tr>
</tbody>
</table>

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LEAP program launched to achieve our targets

**Innovation**
- Striving for technology leadership and business model innovation

**Productivity & Asset Management**
- Continuous focus in cost optimization and stringent cash management and control

**Operational Excellence**
- Strengthening process and project execution discipline and achieving industry benchmark safety and quality levels

**Digitalization**
- As enabler / differentiator across all business areas

**Sustainability + People**
- Oriented company
  - ‘Go-to’ company in renewable energy by setting the industry benchmark in sustainability & employer attractiveness
Innovation & digitalization driving path to leadership extracting the full potential of SGRE

---

**Innovation**

Onshore

- SG 5.X-155/170
- >600 MW orders received

Offshore

- SG 14-222 DD
- Preferred supplier for 4.3 GW pipeline

---

**Digitalization**

Optical tracking in blade manufacturing

Expected savings: approx. €5m per year

Most powerful turbines launched with modular design concept
Productivity & asset management as well as operational excellence at the core of SGRE

**Productivity**
- >€2bn productivity in FY18 – FY20¹

**Asset Management**
- Working capital improvement of 6 p.p.² between FY17 and FY19

**Operational Excellence**
- 24ONE98³: install an offshore turbine **within 24 hours** with **>98% availability** from day one

---

**Our priorities**
- Targeting **>5% productivity** in third-party spend each year
- Strict **fixed cost control**
- **Working capital** consistently below 0
- **Stringent** approach to keep CAPEX at **sustainable level**
- **De-risk** business model
- Strengthen **project controlling**
- Foster cross-business **best practice exchange**

---

¹) Program ending in FY20 with productivity target anticipated to be achieved
SGRE committed to leadership in sustainability

--- Significant achievements so far... ---

✔ Achieved A rating in MSCI ESG index

✔ Carbon neutrality achieved

✔ Member of major ESG indexes
  Dow Jones Sustainability Index, FTSE4Good, Bloomberg Gender Equality index, etc.

✔ Sustainability in financing
  First green guarantee line in Spain for €900m
  Extension of €2.5bn syndicated financing facility, with link to ESG
  First foreign exchange deal linked to the United Nations Sustainable Development Goals (SDGs)

--- and to continue being core for SGRE ---

Committed to continuous improvement in all aspects of sustainability

Environment, Health and Safety are the foundation of our business

Sustainable financial strategy
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Unleashing the full potential of Siemens Gamesa

Clear value creation story:
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Prioritizing profit over volume

Focus on cash generation

Commitment to sustainability
Business Unit – Onshore
Andreas Nauen, SGRE CEO
Manufacturing Excellence program
Spain, 2020

Launch of SG 3.4-145 for
Indian market, 2020

Unlocking surging renewable
potential in Vietnam, 2020

First orders of new
SG 5.8-170 in Sweden and Brazil,
2020

SGRE with record installations (>1 GW)
in Spain in 2019

Hybrid energy project
Philippines, 2020

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Onshore by the numbers (Q3/FY20)

- **€6.9bn** Backlog\(^1\)
- **8.6 GW** Order entry\(^2\)
- **€5.1bn** Revenue\(^2\)
- **~9.5 k** Employees\(^1\)
- **~90 GW** globally installed\(^1\)
- **7.2 GW** installed in LTM\(^2\)
- **170 m** Largest rotor in the market
- **~20%** Market Share (excl. China)\(^3\)

---

1) End of Q3/FY20
2) Last Twelve Months Q3/FY20
Large, stable and fully global demand to remain in the long term

Key market trends

- **Large and stable demand**, with c. 55 GW expected to be installed annually after peak year 2021 and moderate growth after 2025

- Continuous growth of **repowering** demand due to increasing volume of fleet reaching end of life span

- **Strong LCoE competitiveness** vs. other technologies, attracting large investments

- **Truly global market**, with strong volume prospects in all regions and installations in >90 countries

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Global installations (GW)¹

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2023</th>
<th>2025</th>
<th>2030</th>
<th>2020-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>56</td>
<td>55</td>
<td>57</td>
<td>22</td>
<td>67</td>
</tr>
<tr>
<td>APAC</td>
<td>23</td>
<td>21</td>
<td>22</td>
<td>12</td>
<td>67</td>
</tr>
<tr>
<td>Americas</td>
<td>5</td>
<td>6</td>
<td>8</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td>EMEA</td>
<td>16</td>
<td>9</td>
<td>8</td>
<td>8</td>
<td>23</td>
</tr>
</tbody>
</table>

**2020-2030**

- **China**: 95 GW
- **APAC**: 125 GW
- **Americas**: 125 GW
- **EMEA**: 224 GW

**CAGR %**

1) Source: Wood Mackenzie (Global Wind Power Market Outlook Q2/2020) until 2029, SGRE own estimation for 2030
SGRE as one of few truly global OEMs resulting from industry consolidation. Pricing returned to normal dynamics

1) Based on total yearly installations; Source: Wood Mackenzie (Historical Global Wind OEM market share database)  
2) Weighted average of reported average selling price data from two top global OEMs

- **Global reach and large scale**: As foundation for profitability & resilience
- **Few truly global players**: Resulting from industry consolidation and normalized competition dynamics
- **Chinese OEMs predominantly active in local market**

### Global Onshore OEM market share evolution

<table>
<thead>
<tr>
<th>World excluding China</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 3 OEMs</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>Rest 38%</td>
</tr>
<tr>
<td>2018</td>
<td>Top 3 62%</td>
</tr>
<tr>
<td>2019</td>
<td>Top 5 69%</td>
</tr>
<tr>
<td>Top 5 OEMs</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>Rest 31%</td>
</tr>
</tbody>
</table>

### Selling price

<table>
<thead>
<tr>
<th>OEM order intake average selling price (€m/MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
</tr>
<tr>
<td>0.88</td>
</tr>
</tbody>
</table>

- **Auctions**: Mechanisms globally well established
- **Price trends “normalizing”**
- **€m/MW reference**: Affected by introduction of higher nominal capacity turbines
Clear plan to return Onshore to sustainable profitability

**LEAP**

- **Innovation**
- **Productivity & Asset Management**
- **Operational Excellence**

**Focus areas for Onshore**

- Focus on *profitable volume & de-risk* business
- Introduce *new leading technology*
- Reduce *supply chain complexity*
- Reinforce *project execution capabilities*
- **Reorganization** to optimize performance
Prioritize profitability over volume and de-risk business model

Profitability as main priority

Strict pricing and margin policy in place

De-risk business model

Development model restricted to selected opportunities
EPC capabilities reinforced

Focus on top markets

Clear focus on top markets, as platforms to lead globally
Geographical diversification, with focus on largest markets as platforms to grow profitably

--- SGRE LTM order entry (MW)\(^1\) ---

- **Americas**: 33%
- **EMEA**: 30%
- **APAC**: 37%

- **SGRE with true global reach and geographic diversification**
- **Increased focus on largest markets** to get benefits of **scale and limit complexity**
- **Profitability and risk limitation** as a pre-condition to sales in any market

---

© Siemens Gamesa Renewable Energy S.A. 1) LTM Q3/FY20
Further de-risked business approach to development and EPC

**Development**
- Above 12 GW projects developed by SGRE so far
- Model revisited: extract potential while **limiting associated risks**
  - Full development / risk exposure to be limited
  - Development terms being adjusted
  - 3rd party collaboration alternatives to be further explored

**EPC**
- **Long track-record** in EPC activities
- EPC offering based on **customer/ market needs** (on demand)
- EPC capabilities reinforced
  - **Strict qualification** of subcontractors
  - Increased **quality & safety standards**
  - Enhanced **execution monitoring**
Siemens Gamesa 5.X
Reaching new heights

- Flexible rating up to 6.6 MW
- Up to 32% AEP increase vs. predecessor
- High versatility, with a modular, flexible design that facilitates logistics, construction and service
5.X platform: Global product as key driver for profitability improvement

- **Power**
  - Two versions: 155m and 170m rotor
  - Highest power rating among main Onshore OEMs
  - Longest Onshore rotor to date for class III

- **Global reach**
  - New blade design with noise reduction features
  - 170m split blade to improve transportability
  - De-icing feature to perform in cold weather markets

- **Design to cost**
  - Very compact drive train with lightest weight in the class
  - Pultruded carbon & glass fiber blades to reduce weight
  - Synergies with other platforms across multiple components

- **Time to market**
  - Prototype erection and first deliveries in FY21
Modular Onshore product portfolio continuously evolving to increase competitiveness

Product portfolio highlights

- **Highest power rating** in the market with **global reach**, for medium & high wind markets
- Model upgraded to **more powerful 5 MW product**
- 3 MW platform evolving to address different market segments, e.g. SG 3.4-145 for low wind markets (India)
- Track-record 2 MW platforms for niche segments, e.g. SG 2.9-129 for US market

Modularity allowing to evolve portfolio while reducing complexity and optimizing investment

<table>
<thead>
<tr>
<th>Wind</th>
<th>Platform</th>
<th>Power Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low winds</td>
<td>5.X</td>
<td>SG 5.8-155</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SG 5.8-170</td>
</tr>
<tr>
<td>Medium</td>
<td>4.X</td>
<td>SG 5.0-132</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SG 5.0-145</td>
</tr>
<tr>
<td>High winds</td>
<td>3.X</td>
<td>SG 3.4-132</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SG 3.4-145</td>
</tr>
<tr>
<td></td>
<td>2.X</td>
<td>SG 2.9-129</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SG 2.1/2.6-114</td>
</tr>
</tbody>
</table>

Key reference product in 2023

Note: excluding direct drive (available in selected markets only) and other products in ramp-down phase, for example SG 2.2-122
Design complexity reduction as key lever to optimize supply chain dynamics in coming years

<table>
<thead>
<tr>
<th>Platforms</th>
<th>Blades</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Two technologies</td>
<td>▪ Two technologies</td>
</tr>
<tr>
<td>▪ &gt;20 product variants</td>
<td>▪ Two blade designs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Merger</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ One technology&lt;sup&gt;1&lt;/sup&gt;</td>
<td>▪ 9 product variants&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>▪ Only one technology</td>
<td>▪ One single design&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<sup>1</sup> Direct Drive available in selected markets only; <sup>2</sup> Covering >95% of total volume <sup>3</sup> Applicable for 5.X platform
Best-cost supply chain, excellence and high-quality operational performance

- **Diverse and global supply base**
- Co-development agreements with suppliers
- “Make” and third-party sourcing in competition to optimize supply cost
- Recent closing announcements
  - Blades: Aalborg (Denmark), Aoiz (Spain)
  - Nacelles: Brande (Denmark)
- Continuous review of global assets to optimize overall supply chain
- Best-in-class operational performance
- Holistic quality management concept embedded across supply chain
- Cross-business unit sharing of best practices

Global supply footprint with diversified low-cost locations

- % volume from lower cost countries¹:
  - ~65% Nacelles, ~85% Blades
- % “Make”¹:
  - close to 100% Nacelles, ~55% Blades

1) SGRE estimate for reference, subject to demand/ footprint evolution

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Excellence in project management as key priority going forward

FY20 deviations in Northern pipeline addressed

- One-off deviations in five projects in Northern Europe caused by delays and extra costs due to adverse weather and road conditions
- Projects now stabilized (approx. 90% of wind turbines already producing electricity)

Actions already being deployed

- Enhance backlog control
  - Cost / risk profile review conducted on approx. 120 projects
- Improve process and strengthen governance
  - Launch PM@SGRE globally
- Foster best practice exchange
  - Set up cross-business unit teams to strengthen collaboration

- Involve Project Management teams early to identify properly risks & opportunities
- Deploy standard Project Management playbook across regions
- Reinforce Project Managers competences and skills
- Strengthen subcontractor qualification process
Reorganization to increase effectiveness and optimize cost

**Operating model**

Operating model optimization, strengthening global functions and increasing regional focus on sales and project execution

**Rightsizing**

Required rightsizing measures to be conducted

**Overheads**

Strict overhead cost control
**Actions being taken: Returning India to sustainable profitability with turnaround plan in place**

**Headwinds faced**
- Unprecedented **price drop** since the introduction of auctions
- **Market volumes** significantly below expectations
- Constraints in **land development**
- **Covid-19 exacerbated structural issues** in the market

**Actions being taken**
- Prioritize **profit over volume**
- **Restrict development** activities, adjusting terms (e.g. strict policy on pre-production)
- Focus on **wind and hybrid** projects
- Launch **new SG 3.4-145 platform** to improve LCoE, with >40% AEP increase vs. predecessor
- Adjust **manufacturing capacity**
- Strengthen **relationships with suppliers**
- **Project management capability enhanced**
- Deep review of **risks and opportunities** of projects in pipeline
- Organization adjusted
- Restructuring to reduce break-even volume
SGRE remains committed to Onshore: Outstanding value creation potential

<table>
<thead>
<tr>
<th>Onshore take-aways</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large market with <strong>attractive fundamentals</strong></td>
</tr>
<tr>
<td>Margin-related headwinds <strong>stabilized</strong></td>
</tr>
<tr>
<td>Key <strong>growth</strong> engine for <strong>Service</strong> business</td>
</tr>
<tr>
<td><strong>SGRE already a leading player</strong> with strong track-record, global footprint and scale</td>
</tr>
<tr>
<td>Committed to <strong>returning Onshore to sustainable profitability</strong></td>
</tr>
<tr>
<td><strong>Key lever of profit expansion</strong> for SGRE until 2023</td>
</tr>
</tbody>
</table>
Global onshore profitable business

Sweden, April 2020
Business Unit – Offshore
Pierre Bauer, Offshore CEO (acting)
Offshore by the numbers (Q3/FY20)

~17 GW
Backlog & preferred agreements\(^1\)

4.2 GW
Order entry\(^2\)

€2.9bn
Revenue\(^2\)

~6 k
Employees\(^1\)

~16 GW
globally installed\(^1\)

Excellence manufacturing and project execution

New and Increasing potential for Service

Over 1,000 DD offshore turbines installed

© Siemens Gamesa Renewable Energy S.A.  
1) End of Q3/FY20  
2) Last Twelve Months Q3/FY20
Offshore growth continues with further acceleration of volumes through the decade

Key market trends

Strong growth in traditional markets with an outlook of ~183 GW to be installed from 2020-2030

Globalization accelerating new markets evolving strongly with Taiwan and US contributing with ~65%

Strong developer interest with large investments by Oil & Gas developers and mega projects being advanced

New frontiers are gradually emerging providing further demand by floating wind and power to hydrogen

Global installations (GW)¹

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2023</th>
<th>2025</th>
<th>2030</th>
<th>2020-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>12</td>
<td>81</td>
</tr>
<tr>
<td>Americas</td>
<td>1</td>
<td>2</td>
<td>8</td>
<td>7</td>
<td>45</td>
</tr>
<tr>
<td>APAC</td>
<td>4</td>
<td>9</td>
<td>5</td>
<td>5</td>
<td>29</td>
</tr>
<tr>
<td>EMEA</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>28</td>
</tr>
</tbody>
</table>

CAGR %

1) Source: Wood Mackenzie Global Wind Power Market Outlook Q2/2020 (until 2029), 2030 data based on SGRE own estimation
Installation of auction era projects and pipeline underway, which will be enhanced by a significant pipeline of upcoming auctions

Levelized offshore wind prices

US$/MWh (2018 US$)

- 95
- 65
- 45


Auction Year

- NL
- TW
- DK
- FR
- DE
- UK
- US

© Siemens Gamesa Renewable Energy S.A. 1) Source BNEF 2019
Strengthening profitable leadership position to capture global market growth

**LEAP**

- **Innovation**
- **Productivity & Asset Management**
- **Operational Excellence**

**Focus areas for Offshore**

- **Technology and innovation** by adding new technology on proven direct drive platform enable significant AEP upside at low risk
- **Enabling new markets** by combining good product fit and solutions for local content and country-specific parameters
- **Customer engagement** with early and close collaboration on end-to-end project optimization key to win competitive projects
- **Operational excellence** driven by footprint and logistics optimization and flawless execution
Each evolution of the direct drive platform delivers significant AEP upsides with reduced risk and time-to-market

~30 years experience and ~16 GW installed

+1,000 Direct Drive offshore turbines installed with +1,000 in pipeline

Evolutionary product development allow for low risk and continuous cost-out

Enabling 1st subsidy free offshore wind farm HKZ
The winds of change have never been stronger

The SG 14-222 DD

- Up to 15 MW with Power Boost
- +25% annual energy production increase vs. predecessor
- Turbine installation in less than 24 hours with >98% availability from day one

1) Project/site-specific conditions apply
Dedicated and tailored solutions allow SGRE to unlock new market potential

Major engagement factors to succeed in new markets

Prerequisites
- Anchor projects
- Supporting financial flexibility
- Client contribution to localization

Different approach compared to traditional markets required
- Investment Tax Credit offering as major sales driver
- New installation concepts required e.g. US Jones Act
- License agreement enabling access to fast growing Chinese market

Latest turbine technology adapted to local conditions, e.g. 60 Hz, optimal thermal performance, typhoon/hurricane conditions

Local value creation a sales differentiator driven by smart CAPEX approach
- Nacelle Assembly offered for Greater Changhua (900 MW)
- Le Havre plant leveraged to extend pipeline by 1 GW to total of 2.5 GW
- Strategic supplier localization supporting offerings

Solutions for country-specific parameters

Product fit & service offer

Enabling new markets

Local content

© Siemens Gamesa Renewable Energy S.A.
Early and close customer collaboration is key to win highly competitive projects

Record 12 months of sales activities increasing industry leading backlog and pipeline to ~17 GW (~5 times revenue)
Optimized and regionalized footprint to deliver world class products globally, with clear link to customer demand

- Established footprint to secure short-to-mid term delivery commitments and minimize risk
- Continuously improving cycle time for blades and reduced assembly for nacelles
- Optimized logistical set-up to ensure market proximity and link regional footprint CAPEX to customer contracts

1) Shared with Onshore
SGRE in pole position to capitalize on the growth of floating offshore and green hydrogen

- Strongest OEM experience on floating, and in the driver seat to further industrialize
  - +50% of delivered and signed floating projects completed with SGRE turbines. Hywind Scotland as world's first floating wind farm
  - Floating offshore key to deliver on global offshore wind's opportunity

- Vast amount of offshore wind required to supply green H₂ demand
  - Strategic project initiated to deliver large scale green H₂ after mid-2020s
  - Offshore wind optimal for large scale deployment of green H₂ with high capacity factors and availability

- Experienced energy companies in offshore wind with distribution capacity enable ideal strategic alliances

- Contracted Pipeline
  - Stiesdal
  - innogy
  - EDF
  - equinor
Strengthen profitable industry leadership delivering sustainable cash generation and optimization

Offshore take-aways

Continue offshore leadership by pushing the **technological** boundaries

Sustained successful global expansion while keeping focus on core markets

**Coherent cost-out focus** across the value chain to further strengthen competitiveness

**Flawless execution** of ~17 GW project pipeline with a substantial service backlog
Global offshore wind leadership

FY20 highlights
Coastal Virginia, US
Hornsea One, UK
Formosa 1, TW
Business Unit – Service
Juan Gutiérrez, Service CEO
15-years service agreement for 497 MW OF Fécamp wind farm
France, 2020

Service operation vessel - floating warehouse with walk-to-work turbine access

10-years service agreement for 704 MW OF East Anglia One wind farm
United Kingdom, 2020

12-years service agreement for 138 MW ON Mountain Air wind farm USA, 2020

5-years service agreement for 200 MW OF Borkum West II wind farm
Germany, 2020

10-years service agreement for 704 MW OF East Anglia One wind farm
United Kingdom, 2020

OF heavy lift with new jack up vessel under contract – Pacific Orca

10-years service agreement for 12 MW OF Coastal Virginia wind farm
USA, 2020

30-years service agreement for 226 MW ON Murra Warra wind farm
Australia, 2020
Service by the numbers (Q3/FY20)

- **€15.1bn** Backlog\(^1\)
- **€4.1bn** Order entry\(^2\)
- **€1.6bn** Revenue\(^2\)
- **~8 k** Employees\(^1\)
- **~72 GW** under service\(^1\)
- Average **contract length ~9 years**\(^3\)
- Active in **>60 countries**
- Advanced **digital capabilities**

---

1) End of Q3/FY20  
2) Last Twelve Months Q3/FY20  
3) Weighted average duration of all O&M contracts in backlog
SGRE well positioned to outperform in a strong growth market

Key market trends

- **Strong growth from new installations**
- **Rapidly growing offshore market**, globalization opening up new service business opportunities
- **Consolidation in service business** may continue and spread across the value chain
- **New business models evolve** enabled by digitalization, hybrid solutions and data driven O&M

Global O&M Market size, €bn

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2023</th>
<th>2025</th>
<th>2030</th>
<th>2020-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15</td>
<td>21</td>
<td>24</td>
<td>21</td>
<td>183</td>
</tr>
<tr>
<td>CAGR %</td>
<td>+8%</td>
<td>+8%</td>
<td></td>
<td></td>
<td>12%</td>
</tr>
</tbody>
</table>

1) Source: Wood Mackenzie O&M reports (until 2028), 2030 data based on SGRE own estimation
Sustainable and profitable growth above market through continuous innovation, productivity and operational excellence

---

**LEAP**

- **Innovation**
- **Productivity & Asset Management**
- **Operational Excellence**

---

**Focus areas for Service**

- Continue to develop **new business** models together with **customers** to grow faster than the market.
- Focus on **innovation, productivity and operational excellence** to deliver industry **benchmark profitability**.
- Capture potential of profitable **multi-brand** business.
Innovative solutions and customer proximity will help sustain proven growth rates above market

Main areas for revenue growth
(illustrative)

1) Figure as reported end of FY19
2) Senvion acquisition included from FY20 onwards

- Sell as one SGRE
- Next generation long term programs drive average contract durations >10yrs
- Performance and revenue-based business models
- Maintain strong renewal rates for all customer segments

Key growth drivers

- Master selected multi-brand technologies
- Asset and IP acquisition of Senvion enabling expanded offerings
- Commercialization of innovative solution to optimize customer returns
- Increased focus on spare part sales and repairs
- Repowering, upgrades and overhauls in selected focus markets

Customer intimacy

© Siemens Gamesa Renewable Energy S.A. 1) Figure as reported end of FY19 2) Senvion acquisition included from FY20 onwards
SGRE as #1 multi-brand service provider after Senvion acquisition and double-digit growth targeted with IP as key differentiator

Completion of acquisition of selected Senvion service assets

<table>
<thead>
<tr>
<th></th>
<th>Sept-19</th>
<th>Mar-20</th>
<th>Aug-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGRE total multi-brand fleet under maintenance (GW)</td>
<td>2.6</td>
<td>10.0</td>
<td>c.12</td>
</tr>
</tbody>
</table>

Continuous success of out-of-perimeter

Selected examples of new orders out-of-perimeter

- **USA:** Mont Rothery (74 MW)
- **NOR:** Eggersund (112 MW)
- **GER:** Trianel (203 MW)
- **AUS:** Murra Warra (226 MW), Mt. Mercer (131 MW)

SGRE total multi-brand fleet under maintenance (GW) | FY20 | FY23

- >10% p.a.

Significant growth targeted

- IP as key enabler to grow targeted multi-brand technology base
- Multi-brand as key contributor to outgrow O&M market

Double-digit profitable annual growth

SGRE #1 in multi-brand service

c. 1.1 GW orders in total since acquisition

- 12 GW – thereof c. 9 GW through acquired Senvion assets
- As of August 2020
Innovation on asset and plant level as a key focus for SGRE to drive performance and improve customer returns

- **Drones, Robotic Systems & Wearables**: Boosting AEP through optimized O&M
- **Performance Analytics 2.0**: Cutting-edge knowledge tools for improved performance
- **Wind farm optimization**: Boosting AEP through optimized O&M

**Revenue Based Business Models**

**Asset**

- **Data Driven O&M**: Digital applications for optimized O&M
- **Hybrid Solutions**: Advanced systems for growth in renewable assets
- **Cyber Security**: Ensuring operational, design & system security

**Power Plant**

© Siemens Gamesa Renewable Energy S.A.
Disruptive business models addressing changing market conditions, e.g. subsidy free markets, and aligning incentives with customers

- Availability warranties evolving from time- to revenue-based performance warranties
- New availability product through aligned incentives with customers, who are exposed to variable electricity prices
- SGRE availability products have a balanced risk profile – warranting performance on all parameters SGRE can impact

Applied at first project in the North Sea

1.5 GW Offshore contract signed

Innovative and timely RBA product development in close collaboration with key customer

Provides real-life experience for SGRE to strengthen productization of RBA for future projects
## Data driven O&M to harvest benefits of scale and reach operational excellence

### Actionable insights through data

<table>
<thead>
<tr>
<th>Operations Management &amp; Service Planning</th>
<th>Field Service Execution</th>
<th>Asset Integrity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Utilization of capabilities &amp; tools to reduce cost</strong> and ensure competitiveness</td>
<td><strong>Continuous standardization</strong> through LEAN methodology and deployment of digital tools</td>
<td>Deploy <strong>digital capabilities and smarter solutions</strong> across asset technologies</td>
</tr>
</tbody>
</table>

### Examples of newly deployed solutions

<table>
<thead>
<tr>
<th>Service Train</th>
<th>Digital Troubleshooter</th>
<th>VBAI (Visual Based Asset Integrity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Service Train Icon]</td>
<td>![Digital Troubleshooter Icon]</td>
<td>![VBAI Icon]</td>
</tr>
</tbody>
</table>

- **+20% field service and back office efficiency**
- **>20% reduction of unplanned downtime**
Service Train deployed in the field, optimizing resource utilization, driving productivity and decreasing downtime for customers

“RWE Renewables was excited to be part of this innovative concept. We are impressed by SGRE’s performance, setting benchmarks regarding safety, time and quality.”

Enrico Schaefer, Head of Offshore Wind Operations Continental Europe

SGRE setting new standards in Offshore operations

- **Service Train**: Scheduled maintenance by sharing resources and utilizing one single service operation vessel (SOV) on multiple OF power plants
- Deployed since 2019 and piloted across three projects in German waters with a total of ~250 turbines
- Resulting in ~50% reduction in downtime
- Improved LCoE with zero safety incidents
Leveraging SGRE developed digital technologies to significantly higher field execution efficiency and better asset performance

**Digital troubleshooter**

- **Interactive tool** to support turbine fault identification and remediation
- Leveraging collective SGRE intelligence through self-learning and best practices
- Reduces turbine downtime and spare parts replacement
- Successfully implemented and deployed on SGRE OF platforms since summer 2019

**Vision-Based Asset Integrity (VBAI) platform**

- >25,000 turbine blades inspected
- Impressive results to date
  - Cloud artificial intelligence enables image stitching in 34 seconds compared to 4-6 hours for manual stitching
  - 400 images of each rotor in 20 minutes using automated drones
- Technology with the potential to be applied beyond blades
SGRE Service successfully operating hybrid plants – with outlook to expand to new commercially available applications

Addressing profitable growth segments along the energy value chain

- Customized plant solutions with in-house hybrid plant controller (HPC)
- Premium in-house power electronics
- HPC solution tested & deployed on various projects since 2015 incl. PV, BESS¹ and wind technology

...allowing integration of new renewable applications

Wind + BESS¹ + Electrolyze → H₂ Transportation

Hybrid plant to be installed in Flø, Denmark by the end of 2020 and first hydrogen production planned for early 2021

- Pilot coming up in Denmark using SGRE wind turbine for power-to-hydrogen application
- Power to hydrogen and BESS¹ add-on to harvest new value streams through grid services for existing customer assets

© Siemens Gamesa Renewable Energy S.A. 1) Battery Energy Storage System
Sustainable and profitable growth above market through continuous innovation, productivity and operational excellence

Service take-aways

Continue to evolve and develop **new business models** together with our **customers** and increase value of partnership

Focus on **innovation and productivity** to further strengthen competitiveness and deliver industry benchmark **profitability**

Drive **operational excellence** relentlessly to maximize energy production on our maintained fleet

Capture potential of profitable **multi-brand business** leveraging on Senvion acquisition
Your preferred lifetime service partner
SGRE financial framework: Focus on value creation

Profitable Growth

- Innovation
- Productivity
- Operational excellence

Focus on Cash

- Stringent management of working capital and CAPEX

Capital Efficiency

- ROCE > WACC
- Attractive dividend policy

Sustainability at the core
SGRE positioned to grow above the market

**Market potential**

- O&M market to grow from €15 bn (2019) to €24 bn (2025)²

**Order backlog (€bn)**

- + Additional OF pipeline³ (<1 GW)
- + Additional OF pipeline³ (>9 GW)

**SGRE competitive position**

- OF and SE growing overproportionally; ON focus on profitability over volume
- High revenue visibility
  - >80% coverage of FY21 revenue by current backlog
  - Offshore backlog plus pipeline approx. 5 times current yearly revenue
  - Average service contract length at c. 9 years⁴

**Target** – Book-to-Bill⁵ >1.0x in FY21-23 and top-line growth⁶ above the market by FY23

---

¹ Source: Wood Mackenzie Global Wind Power Market Outlook Q2/2020 (until 2029), 2030 data based on SGRE own estimation
² Source: Wood Mackenzie O&M reports
³ OF pipeline: preferred supply agreements and conditional orders
⁴ Weighted average duration of all O&M contracts in backlog
⁵ Average Book-to-Bill ratio in the period
⁶ in MW and EUR
Profitability in FY20 largely undermined by Covid-19, ON execution issues and India market slowdown

- L3AD2020 successfully achieved productivity targets
- Profitability diluted by Covid-19, ON execution issues and India market slowdown
- Extended scope of company-wide LEAP program
  - Enhanced product portfolio
  - Productivity to continue compensating price pressure
  - Selective sales approach
  - Strengthened project execution

### Highlights and way forward

<table>
<thead>
<tr>
<th>LEAP scope</th>
<th>Transformation program L3AD2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT pre PPA, I&amp;R 9M 19</td>
<td>Pricing</td>
</tr>
<tr>
<td>475</td>
<td></td>
</tr>
<tr>
<td>EBIT pre PPA, I&amp;R 9M 19</td>
<td>Covid-19</td>
</tr>
</tbody>
</table>

### SGRE EBIT pre PPA and I&R costs

(9M FY20 vs. 9M FY19)

- €m
- €m

- €m
- €m
- €m
- €m
- €m
- €m
- €m
- €m

© Siemens Gamesa Renewable Energy S.A.
LEAP program launched to achieve our targets

**Innovation**
- Best-in-class product and service portfolios
- Modular and design to cost concepts well established
- Cross business unit synergies in product design and technology

**Productivity & Asset Management**
- Product cost-out
- Manufacturing footprint optimization
- Rightsizing of operations
- Centralized procurement
- HC development linked to growth

**Operational Excellence**
- Strengthening process and project execution discipline
- Achieving industry benchmark safety and quality standards
- Best-in-class manufacturing performance

**Digitalization** as enabler / differentiator across all business areas

**Sustainability** (e.g. ESG criteria introduced throughout financing products) + People Orientation

‘Go-to’ company in renewable energy by setting the industry benchmark in Sustainability & employer attractiveness
Profitability improvement supported by favorable business mix and market trends

SGRE business mix

% SGRE revenue share

LTM Jun '20

FY23E (Indicative only)

Drivers of profitability improvement

- More profitable OF and SE businesses to outgrow ON in terms of revenues during FY21-23 period
- Increase in relative weight to drive SGRE profitability upward

ON Turn-Around

- ON business fully focused on returning to profitability
- Go to market strategy: profitable volume, de-risked business model

Market trends (price / cost)

- Normalized price environment
- Supply chain better prepared for trade tensions and market volatility

Target – EBIT margin pre PPA and I&R costs of 8-10% by FY23
## Profit forecast / outlook

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Profitability</th>
<th>Remarks</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY21</td>
<td>€10,200m to €11,200m</td>
<td>EBIT margin pre PPA and I&amp;R costs: 3% to 5%</td>
<td>▪ Covid-19 and northern pipeline one-offs eased</td>
<td>▪ LEAP program executed</td>
</tr>
<tr>
<td>FY23</td>
<td>Grow faster than the market</td>
<td>EBIT margin pre PPA and I&amp;R costs: 8% to 10%</td>
<td>▪ ON turnaround in progress including restructuring in India</td>
<td></td>
</tr>
</tbody>
</table>

### Total I&R costs over the period:
- up to mid-triple digit euro million

- **Restructuring** costs: mainly driven by ON turnaround and representing majority of total I&R costs
- **Integration** costs: mainly linked to closeout of post-merger IT related projects and integration initiatives related to Senvion acquisition
- **Phasing**: both restructuring and integration costs expected to be substantially completed by the end of FY22
- **Cash flow impact**: mostly cash related, but also include non-cash elements (i.e. impairments etc.)

1) Profit forecast for FY21, outlook for FY23 - assumes that there is no second wave of Covid-19 or a significant prolongation of the current pandemic
CAPEX to sustain key levers for top-line growth and profitability improvement

<table>
<thead>
<tr>
<th>% CAPEX / revenue</th>
<th>CAPEX</th>
<th>Drivers of CAPEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>FY20-22E</td>
<td>c. 6%</td>
<td></td>
</tr>
<tr>
<td>FY23E</td>
<td>c. 5%</td>
<td></td>
</tr>
</tbody>
</table>

- **Product development**: 
  - New product developments in OF and ON (e.g. SG 14 – 222 DD and SG 5.X)

- **Offshore globalization**
  - Offshore manufacturing footprint expansion (Taiwan, France) required to enter new markets

- **Backlog growth**
  - Strong order intake growth in OF and SE driving investments

**Target** – CAPEX to revenue: c. 5% in FY23 (c. 6% in FY20-FY22)
Strict management of working capital to be maintained in the period

Working capital

<table>
<thead>
<tr>
<th>% Working capital / LTM revenue</th>
<th>FY17</th>
<th>FY19</th>
<th>Jun ’20</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>-2%</td>
<td>-8%</td>
<td>-16%</td>
</tr>
<tr>
<td>FY19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun ’20</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

€m

<table>
<thead>
<tr>
<th>FY17</th>
<th>FY19</th>
<th>Jun ’20</th>
</tr>
</thead>
<tbody>
<tr>
<td>-220</td>
<td>-833</td>
<td>-1,498</td>
</tr>
</tbody>
</table>

Highlights and way forward

- €1.3bn reduction of working capital since FY17
- Active management of working capital to continue across the business
- Focus on balancing cash collection and cash spent by optimization of payment conditions from customers and to vendors
- Optimization of delivery cycle times and inventory control

Target – Working capital to revenue < 0% every year
Strong commitment to Free Cash Flow generation through the cycle

Favorable aspects to reach normalized cash conversion rate\(^1\) >1-growth
- Achieve 8–10% EBIT margin pre PPA and I&R costs by FY23
- Stringent management of working capital and CAPEX

Main adverse cash impacts in the period (largely mitigated by FY23)
- ON turnaround in FY21 and FY22
- I&R costs mainly in FY21 and FY22 (incl. Senvion)
- Adwen payments (totaling c. €250m in FY21-FY23)

Strong balance sheet to facilitate growth above the market

Target – Net financial debt/EBITDA <1.0x (IFRS 16 impact fully absorbed)
Financing strategy focused on guaranteeing liquidity at optimized cost

- Investment grade credit rating
- Strong liquidity
- Cost optimization and risk reduction
- Flexibility and diversification
- Green component:
  - ESG criteria in loans, currency hedges and guarantee lines

Maturity profile of financing facilities

<table>
<thead>
<tr>
<th>€bn</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td>c. €4bn in financing lines to support business in FY21-23</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Syndicated loan offers two one-year extensions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>€2bn tranche B to FY26 and FY27</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>€0.9bn in FY21 of bilateral lines and MTO(^1) debt rolled-over annually</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>New c. €0.2bn “ICO(^2) Line” with 2-year maturity</td>
<td></td>
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<td></td>
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<td></td>
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</tr>
</tbody>
</table>

Target – Maintain investment grade credit rating

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1) Money Transfer Obligation 2) Instituto de Crédito Oficial, a Spanish state-owned bank
**Outlook 2023 and beyond**

**Market Growth/Top-line**
- **ON** to remain large market and **returning to growth** in mid-term
- Continuous **high growth** in OF market
- Continuous growth in global **installed fleet under O&M**

**Profitability**
- **ON turnaround completed** and business situation stabilized
- OF and SE with **increasing weight in revenue mix** and at **benchmark profitability**
- Integration and restructuring substantially completed

**Cash Flow**
- CAPEX reaching **normalized** level
  - OF with higher critical mass in sales and footprint globalized
  - Higher contribution of CAPEX-light service business
- Adwen impact and I&R expenses phasing out
SGRE positioned for leadership in value creation:  
Financial framework for 2023 and beyond

<table>
<thead>
<tr>
<th>Profitable Growth</th>
<th>Focus on Cash</th>
<th>Capital Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT margin pre PPA and I&amp;R costs: 8-10%</td>
<td>CAPEX: c. 5% of revenue</td>
<td>ROCE &gt; WACC</td>
</tr>
<tr>
<td>Book-to-Bill &gt; 1</td>
<td>Working capital &lt; 0% of revenue</td>
<td>Dividend policy: payout ratio ≥ 25% of net income</td>
</tr>
<tr>
<td>Grow faster than the market¹</td>
<td>Cash conversion rate² &gt; 1-growth</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Net financial debt / EBITDA &lt; 1.0x</td>
<td></td>
</tr>
</tbody>
</table>

Sustainability at the core

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¹) In MW and EUR
2) Before Adwen-related payments; growth measured in terms of order intake volume (MW) growth
Conclusion
Andreas Nauen, SGRE CEO
Unleashing the full potential of Siemens Gamesa

Clear value creation story:
- Turnaround Onshore to sustainable profitability
- Capture growth in Offshore and Service

LEAP program launched

Prioritizing profit over volume

Focus on cash generation

Commitment to sustainability
East Anglia ONE: a success story to be continued – across the company

102 SG 7.0-154 DD wind turbines supplying clean green power to over 630,000 homes

Siemens Gamesa’s 1,000th Offshore DD turbine installed

Completed successfully with zero defects

Pioneering 66 kV transmission technology

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Thank you!
Appendix
Definitions

**Book-to-Bill**: ratio of order intake (in €) to revenues (in €) in the same period. The Book-to-Bill ratio gives an indication of the future trend in revenue volume.

**Capital Expenditure (CAPEX)**: refers to investments made in the period in property, plant and equipment and intangible assets in order to generate future profits (and maintain the current capacity to generate profits, in the case of maintenance capex); it does not include additions to right of use assets (first time adoption of IFRS16 starting October 1st, 2019).

**Cash Conversion Rate (CCR)**: Free Cash Flow divided by EBIT pre PPA.

**EBIT (Earnings Before Interest and Taxes)**: operating profit per the consolidated income statement. It is calculated as Income (loss) from continuing operations before income taxes, before 'Income (loss) from investments accounted for using the equity method', interest income and expenses and 'Other financial income (expenses), net'.

**EBIT pre PPA**: EBIT excluding the impact on amortization on intangibles' fair value from the Purchase Price Allocation (PPA).

**EBIT pre PPA and I&R costs**: EBIT excluding integration and restructuring costs and the impact on amortization of intangibles’ fair value from the Purchase Price Allocation (PPA).

Free Cash Flow (FCF): is obtained by adding, to net income of the year, the ordinary non-cash items (depreciation and amortization, and provision charges) and income from equity-accounted affiliates, deducting working capital and capital expenditure (CAPEX). It indicates the funds available for use to distribute dividends, buy back shares, pay down debt or other corporate activities not related to ordinary business.

Free Cash Flow (before interests and taxes): is obtained by adding, to adjusted EBITA of the year, the ordinary non-cash items (depreciation and amortization, and provision charges) and income from equity-accounted affiliates, deducting working capital and capital expenditure (CAPEX). It indicates the funds available for use to pay taxes, interests, distribute dividends, buy back shares, pay down debt or other corporate activities not related to ordinary business.

**Net Financial Debt (NFD)**: the sum of the company's bank borrowings (including any subsidized loans) less cash and cash equivalents less cash and cash equivalents.

**Net income attributable to the shareholders of SGRE (Net income)**: consolidated profit for the year attributable to the parent company. Contains reported EBIT, income from investments acc. for using the equity method net, financial income net, income tax expense.

**Return on capital employed (ROCE)**: ROCE is calculated as: \( \text{ROCE} = \frac{\text{EBIT} \times (1-t)}{\text{CE}} \), where \( t \) is the rate of corporate income tax, \( \text{CE} \) is the average capital employed in the period and EBIT is computed on a ‘Last-12-Months’ basis. Capital employed measures the capital invested in the group.

**Working Capital (WC)**: is calculated as the difference between current assets and current liabilities. Current assets and liabilities exclude all items classified as Net Financial Debt, such as cash and cash equivalents.

Disclaimer: Due to rounding, numbers presented in this document may not add up precisely to totals provided.
Abbreviations

€m: million EUR
€bn: billion EUR
AEP: annual energy production
ASP: average selling price
BESS: battery energy storage system
BU: business unit
c.: circa
CAGR: compound annual growth rate
CAPEX: capital expenditure
CCR: cash conversion rate
CfD: contract for difference
DD: direct drive
EBIT: earnings before interest and taxes
EBITDA: earnings before interest, taxes, depreciation and amortization
EPC: engineering, procurement and construction
ESG: environmental social governance
FCF: free cash flow
FYnn (e.g. “FY19”): fiscal year nn (e.g. fiscal year 19)
GW: gigawatt
HC: headcount
ICO: Instituto de Crédito Oficial
IP: intellectual property
I&R: integration and restructuring costs
LCoE: levelized cost of energy
LTM: last twelve months
MTO: money transfer obligation
NEO: new energy outlook
OEM: original equipment manufacturer
OF: Offshore (business unit)
OI: order intake
O&M: operations & maintenance
ON: Onshore (business unit)
PM: project management
p.p.: percentage point
PPA: purchase price allocation
PTC: production tax credit
Qn (e.g.: “Q2”): quarter n (e.g. quarter 2)
R&D: research and development
ROCE: return on capital employed
SE: Service (business unit)
SG&A: selling, general and administrative expenses
SGRE: Siemens Gamesa Renewable Energy
TW: terawatt
TWh: terawatt hour
WACC: weighted average cost of capital
WEO: world energy outlook