Q2 20 RESULTS

May 6, 2020

SIEMENS Gamesa
RENEWABLE ENERGY

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In the event of doubt, **the English language version of this document will prevail**."

Note on alternative performance measures (APMs)

The definitions and reconciliation of the alternative performance measures that are included in this presentation are disclosed in the Activity Report associated to these and previous results. The glossary of terms is also included in the Activity Report associated to these results.

SGRE is fully committed to a sustainable development and the strictest ESG[1] principles

- **MSCI ESG rating of A** received in Q2 20
- **AENOR certification of a Tax Compliance Management System** in Q2 20
- **Social commitment** with extensive initiatives taken to support local communities to fight the impact of COVID-19

Committed to respecting human rights and the environment …

The Global Compact – Red Pacto Mundial España WE SUPPORT

GRI Community Siemens Gamesa Renewable Energy 2020

Caring for Climate

2020 Bloomberg Gender-Equality Index

We've joined The Paris Pledge for Action

SCIENCE BASED TARGETS – DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

We Support Women's Empowerment Principles – UN Women, United Nations Global Compact – www.weprinciples.org

… and part of the main ESG indices

Member of Dow Jones Sustainability Indices – In collaboration with RobecoSAM

Corporate ESG Performance Prime – Rated by ISS ESG

FTSE4Good

ECPI Sense in sustainability

Global Challenges Index

STOXX EURO STOXX® Sustainability

Included in ETHIBEL Sustainability Index Excellence Europe

1) ESG: Environmental, Social and Governance

Q2 20 Key Points

Q2 20 Key Points

Revenue of €2,204m and EBIT margin[2] of 1.5%, impacted by COVID-19 (-2.5 p.p.[3])

- **FY 20 guidance withdrawn due to lack of visibility** on duration and magnitude of COVID-19 impact
- Market recovery in India delayed and impacted by COVID-19

Long-term vision unchanged

Green energy to support economic recovery

Record backlog of €28.6bn[1], after integrating Senvion Service assets

- **1x Book-to-Bill** despite Offshore spiky nature and shift of some Onshore orders to Q3

Strong liquidity position to face COVID-19 disruption:

- **C. €4bn in financing lines** with €1.1bn used
- **Net debt of €295m,** €429m better than in Q2 19[4] after payment for Senvion Service assets

1) Backlog impacted by currency devaluation (c. -€850m)
2) EBIT margin pre PPA and I&R costs, excluding the impact of PPA on the amortization of intangibles: €69m, and integration and restructuring costs: €82m in Q2 20
3) Direct impact of COVID-19 on EBIT pre PPA and I&R costs of €56m over Q2 20 revenue. EBIT pre PPA and I&R exc. COVID-19: €89m equivalent to 4.0% over revenue
4) Introduction of IFRS 16 in FY 20. Short- and long-term lease liabilities included in net debt amounted to €606m as of March 31, 2020

COVID-19 impacts company performance in Q2 and FY 20, short-term mitigation actions taken

Expected FY 20 impact predominantly on Onshore, given broader geographic diversification of projects and broad global supply chain

- Delays in commercial activity with some order intake shifting into Q3 20
- Supply chain disruption beginning in China and spreading globally
- Temporary manufacturing lockdowns in China, India and Spain
- Disruption in regular manufacturing[1] and project execution activity
- Liquidated damages (LDs) and prolongation costs being negotiated with suppliers and clients

Q2 20 direct impact of €56m on EBIT pre PPA and I&R costs

Indirect impact on execution of Northern European pipeline and on further slow down of Indian market

1) Disruption to regular manufacturing activity is not only driven by manufacturing lockdowns and the supply chain but also by the implementation of the required Health and Safety protocols

COVID-19 – Actions taken to overcome challenges, protect our teams, assure business continuity and strong liquidity

Protect our people and their communities

- Early implementation of strict H&S protocols

Assure business continuity

- Supply chain re-routing and manufacturing planning to minimize net economic impact
- Service operations secured through remote monitoring capabilities and digitalization. Offshore Service secured with extended periods in the sea
- Q2 20 project deadlines met despite disruptions: Aria del Vento (Italy), Midelt (Morocco) & East Anglia (UK)

Safeguard liquidity

- Strong cash management
- Reduction of discretionary spending
- C. €4bn in financing lines (€1.1bn used) to fight COVID-19 impact on FCF generation

Early implementation of actions reduces impact and secures cash position

Major achievements in market access and technology support long-term success

ON: Two further orders for the flagship SG 5.X

- Additional orders for SG 5.X platform in Sweden and Brazil, resulting in total orders of 570 MW

OF: SG 11.0-193 DD flex prototype commissioned

- Prototype of next generation Offshore platform has reached 11 MW nominal power as per schedule

SE: First major Senvion Service contract beyond the acquired scope

- 20-year service agreement signed for Senvion turbines in Australia – 135 MW, supported by acquired technology

Commercial activity

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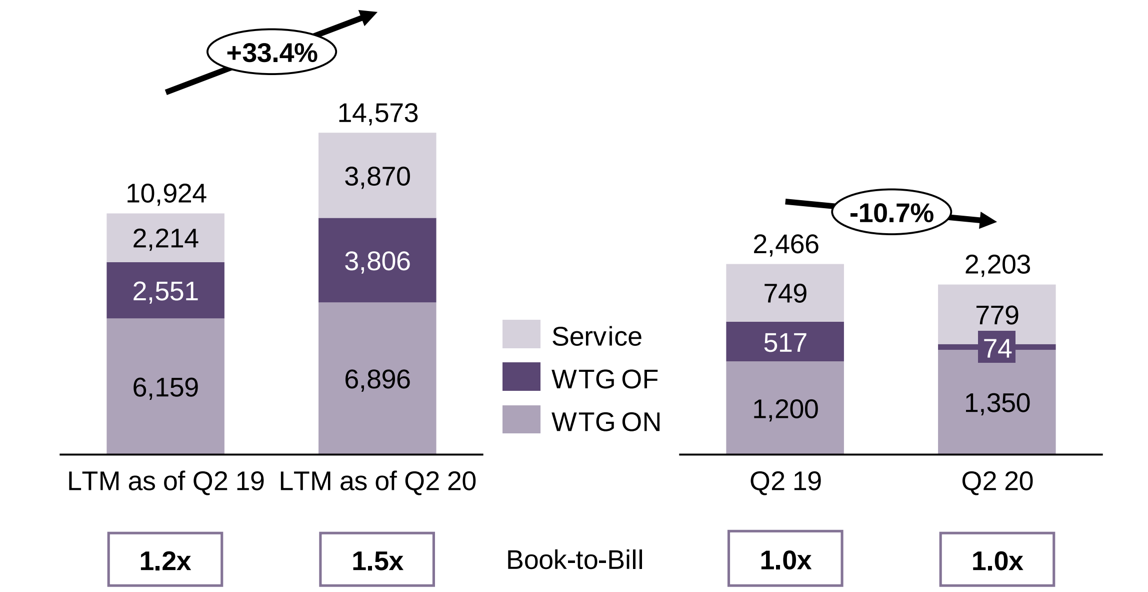
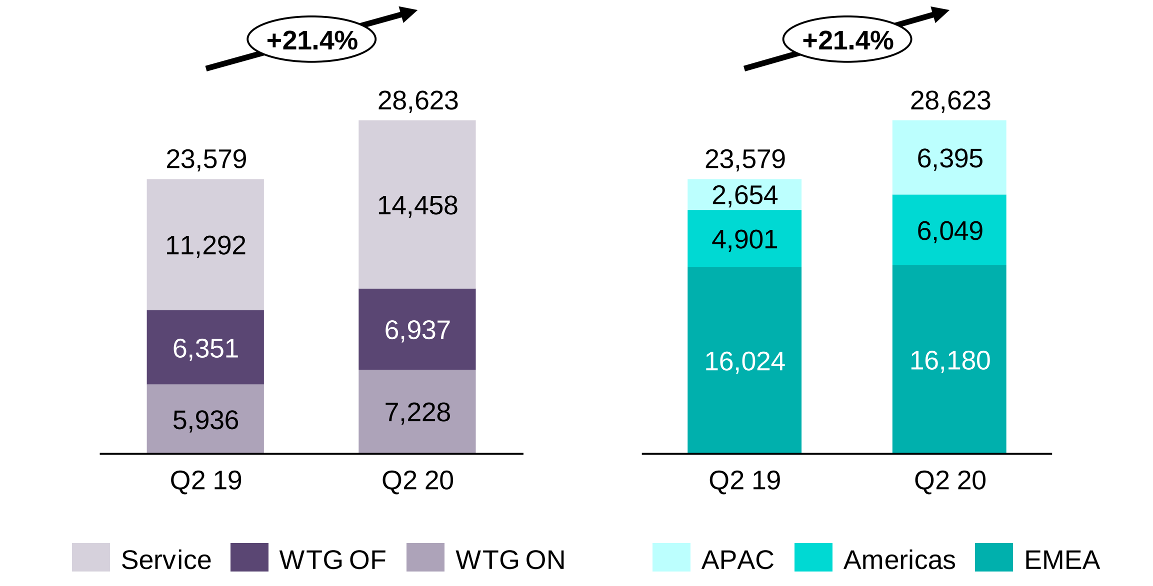
Record order backlog: €28.6bn, up 21.4% YoY, after integrating Senvion Service assets

Order intake[1] LTM and Q2 (€m)



Order backlog (€m)

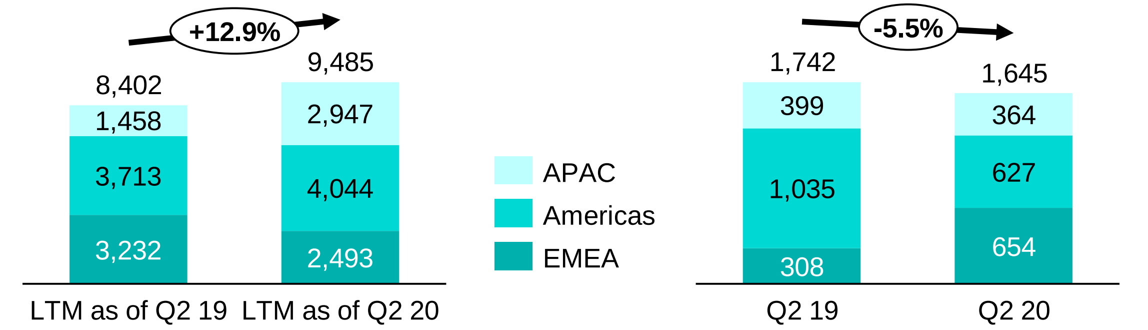


Order backlog as of March 31 for FY 20 delivery: €6.2bn[2]

1) WTG ON order intake includes €61m in solar orders in Q2 20, €2m in Q4 19, €0.6m in Q3 19, €33m in Q2 19, €6m in Q1 19, and €9m in Q3 18
2) Total orders for FY 20 delivery amount to €10.4bn between H1 20 Group revenue of €4.2bn and order backlog as of March 31 for FY 20 delivery of €6.2bn

WTG ON order intake: 1.6 GW, down 5.5% YoY, impacted by COVID-19 related order shift to Q3

WTG ON order intake[1] LTM and Q2 (MW)



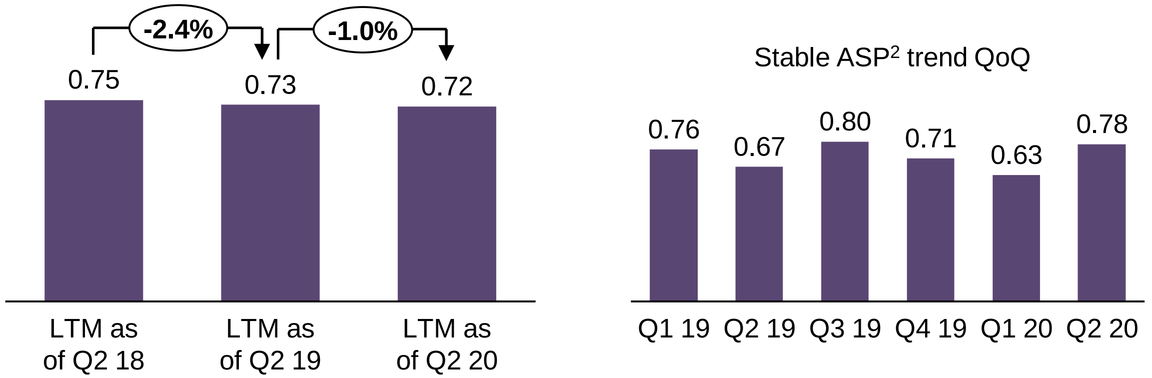
Q2 20 order intake impacted by shift of some orders to Q3 20

- Brazil with 35%, Spain with 12% and Poland and Vietnam with 9% each are the main contributors to the Q2 20 order intake volume (MW)

4 MW+ new platforms contributed 35% to Q2 20 order intake

- Including **22% contribution from SG 5.X**

Average selling price of WTG ON order intake[1] (€m/MW)



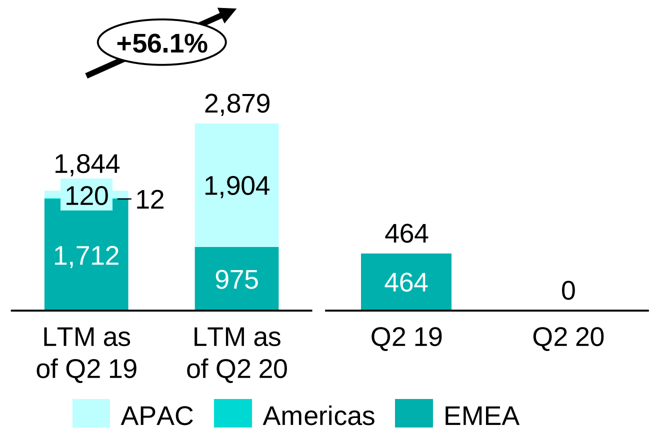
Stable pricing

- Q2 20 ASP YoY increase driven by regional mix and project scope

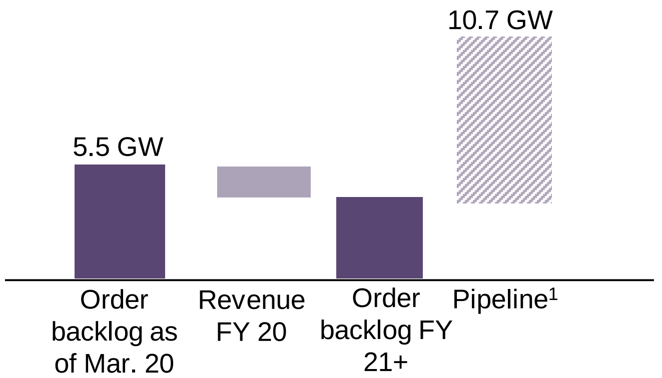
1) Order intake WTG ON (MW) and average selling price of WTG ON order intake includes only wind orders
2) Average selling price (ASP) in individual quarters fluctuate driven by regional mix and scope of projects

Leading competitive positioning in WTG OF: 5.5 GW in order backlog and 10.7 GW in pipeline

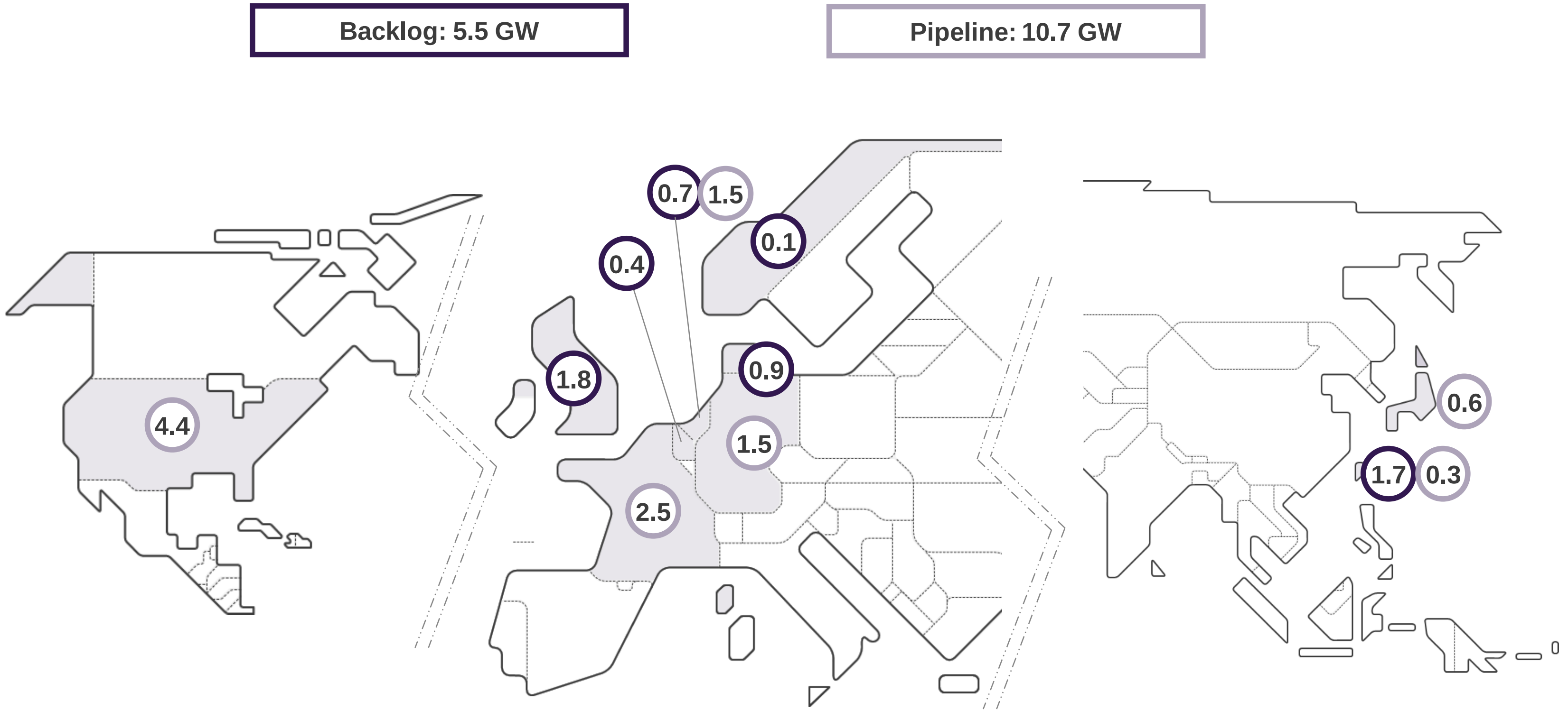
WTG OF order intake (MW)



WTG OF backlog and pipeline[1]



Backlog and Pipeline (GW)

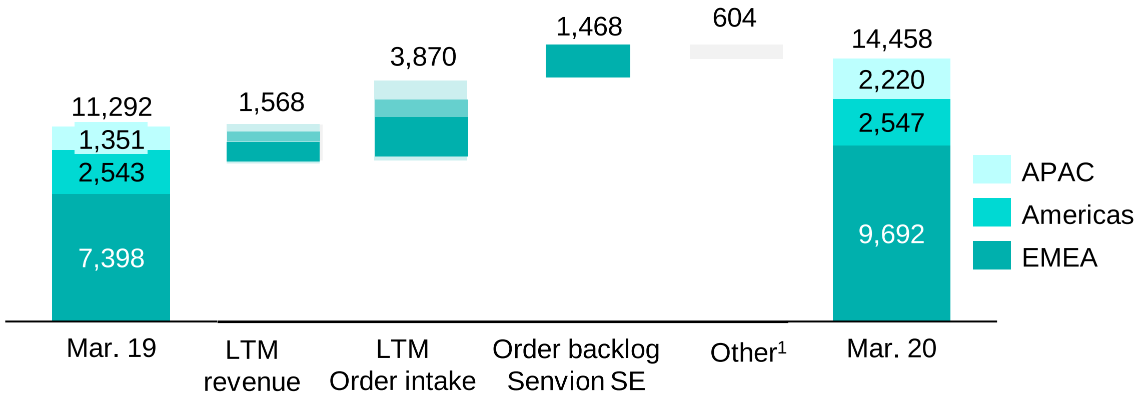


- **Preferred supply agreement with Ørsted for Borkum Riffgrund 3 (900 MW) and Gode wind 3 (242 MW) in Q2 20**

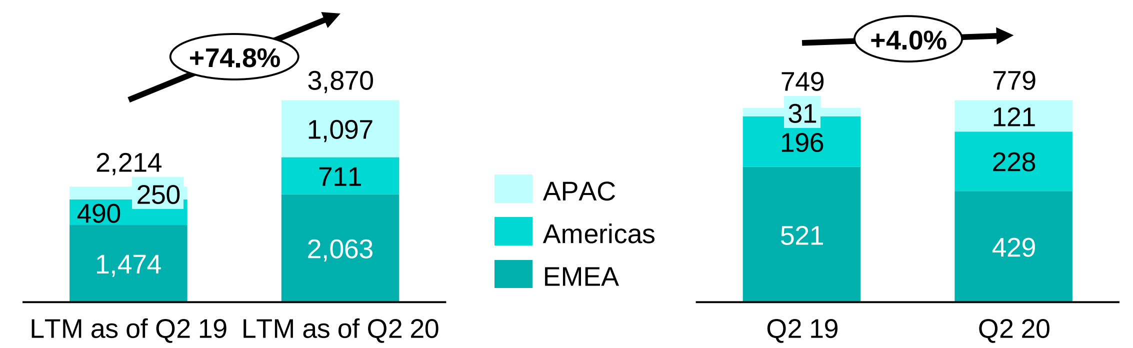
1) Pipeline made of preferred supply agreements and conditional orders that are not part of SGRE's Offshore backlog

51% of Group order backlog comes from Service with a strong order intake performance

Service order backlog (€m)



Service order intake LTM and Q2 (€m)



Enhance top line visibility

- Average life of contracts in the backlog: 8 years
- Acquired Senvion Service assets (€1.5bn backlog) contribute to strong growth in EMEA backlog (+31% YoY)
  - Senvion backlog distributed between Northern Europe (74%) and Southern Europe (26%)
- APAC backlog growth driven by Offshore Service contracts in Taiwan

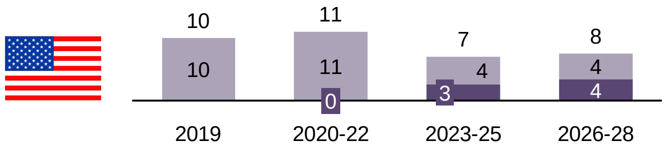
Strong commercial performance

- Book-to-Bill: 2x in Q2 20 and 2.5x in LTM
- First major contract beyond the scope of acquired Senvion Service assets already signed in Q2 20

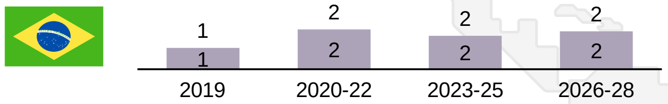
1) Other: FX impact on order backlog

COVID-19 impacting short-term demand dynamics but long-term growth maintained[1]

Americas

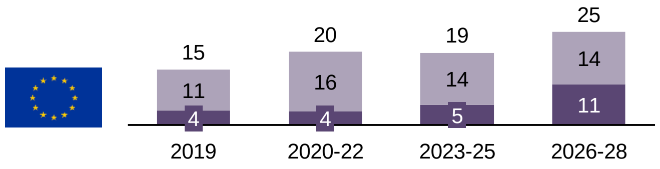


- Strong short-term (2020-22) installations supported by PTC. Long-term growth supported by ambitious Offshore targets[2]
  - **SGRE conditional pipeline of 4.4 GW**
- COVID-19 disruptions could shift installations to 2021



- Demand driven by free market offtake agreements
- Auctions critical to secure grid connection
- A-4 and A-6 auctions postponed due to COVID-19
  - **Successful entry of the SG 5.X: 312 MW in Q2 20**

EMEA

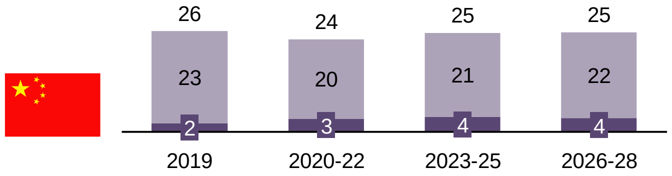


- Strong commitment to 100% decarbonization and economics supported by European Green Deal
- Onshore supporting volumes and Offshore supporting growth
  - **57% of SGRE order backlog in EMEA**

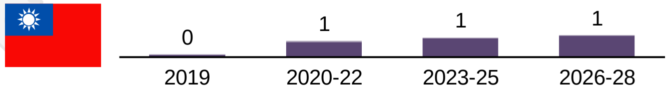
Average GW for the period

Onshore Offshore

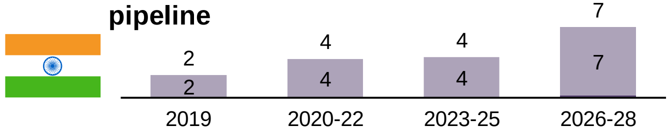
APAC



- Repowering potential in Onshore and Offshore still attractive despite cancellation of central subsidy for projects commissioned from 2022



- Solid demand driven by Offshore targets
  - **SGRE with 1.7 GW in backlog and 0.3 GW in pipeline**



- Short-term (2020-22) annual installations are 40% below volume required to reach government wind target (60 GW in 2022)
- COVID-19 driven lockdown impacting main wind installation season
- Mid-term (2023-25) expected volume reduced by 34% in Q2 20
- Strong long-term (2026+) prospects unchanged
  - **SGRE #1 player with 30% in 2019[3]**
  - **Restructuring initiated**

1) Market charts present the average annual installations according to Wood Mackenzie Q1 2020 outlook
2) Massachusetts, New York, New Jersey, Rhode Island, Connecticut, Virginia and Maryland
3) Market share in India according to BloombergNEF report (February 2020)

Q2 20 Results & KPIs

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Consolidated Group – Key figures Q2 20 (January-March)

P&L (€m)	Q2 19	Q2 20	Var. %	H1 20	Var. %
Group revenue	2,389	2,204	-7.8%	4,204	-9.6%
EBIT pre PPA and I&R costs	178	33	-81.6%	-103	N.A
EBIT margin pre PPA and I&R costs	7.5%	1.5%	-6.0 p.p.	-2.5%	-9.2 p.p.
PPA amortization[1]	66	69	3.6%	135	1.4%
Integration & restructuring costs	22	82	278.9%	110	104.0%
Reported EBIT	90	-118	N.A.	-347	N.A
Net interest expenses	-13	-20	49.7%	-32	20.3%
Tax expense	-27	-28	1.5%	40	N.A
Reported net income to SGRE shareholders	49	-165	N.A.	-339	N.A
CAPEX	108	109	1	201	-12
CAPEX to revenue (%)	4.5%	5.0%	0.4 p.p.	4.8%	0.7 p.p.

Balance Sheet (€m)	Q2 19	IFRS 16 impact[4] Sept. 30, 19	IFRS 16 impact[4] Oct. 1, 19[4]	Q2 20	Var. YoY	Var. QoQ
Working capital	211	-833	-843	-865	-1,076	74
Working capital to LTM revenue (%)[2]	2.2%	-8.1%	-8.2%	-8.8%	-11.1 p.p.	0.6 p.p.
Provisions[3]	2,254	2,177	2,177	2,209	-45	12
Net (debt)/cash	-118	863	280	-295	-178	-470
Net (debt)/cash to LTM EBITDA[2]	-0.13	0.96	0.31	-0.61	-0.48	-0.88

Strong liquidity position to face COVID-19 impact on business

- C. €4bn in financing lines of which €1.1bn used

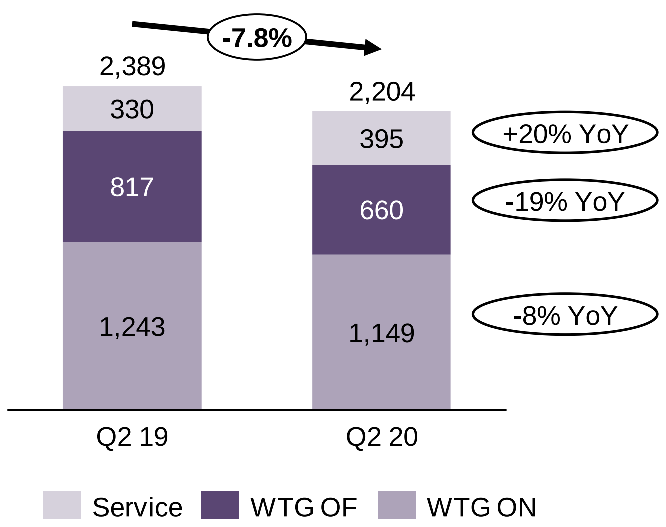
Launched **restructuring exercise in India** to adapt to new market prospects and dynamics

- C. €38m in non-cash restructuring costs in Q2 20

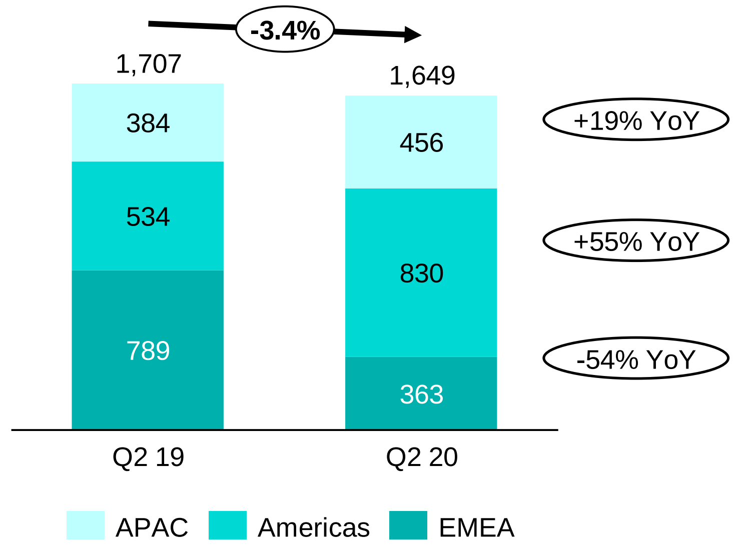
1) Impact of PPA on the amortization of the fair value of intangibles
2) LTM revenues €9,780m; LTM EBITDA €481m
3) Within group provisions, Adwen provisions stand at €640m
4) Introduction of IFRS 16 from October 1, 2019 onwards reduces the net cash position of €863m as of September 30, 2019 to €280m as of October 1, 2019. It also changes working capital from -€833m as of September 30, 2019 to -€843m as of October 1, 2019. See note 2.D.3 in the Consolidated Financial Statements of FY 19. As of March 31, 2020 net debt liabilities related to leases amount to €606m (see note 8.B of the Interim Condensed Consolidated Financial Statements for the 6-month period ended Mach 31, 2020)

Revenue performance mainly driven by back-end loaded activity planning

Q2 Group revenues (€m)



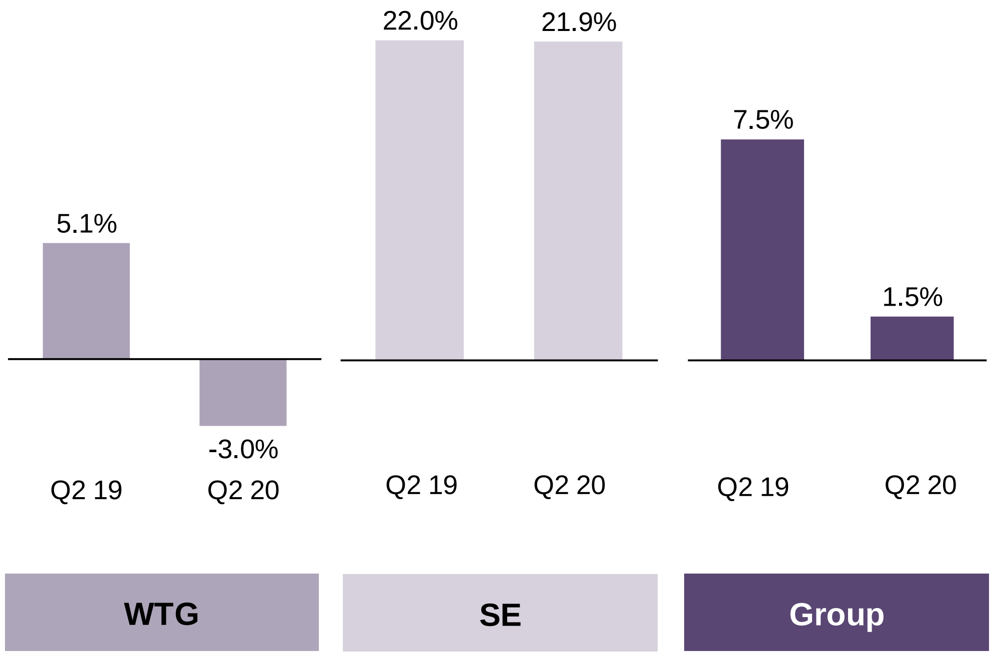
Q2 WTG ON sales volume by geography (MWe)



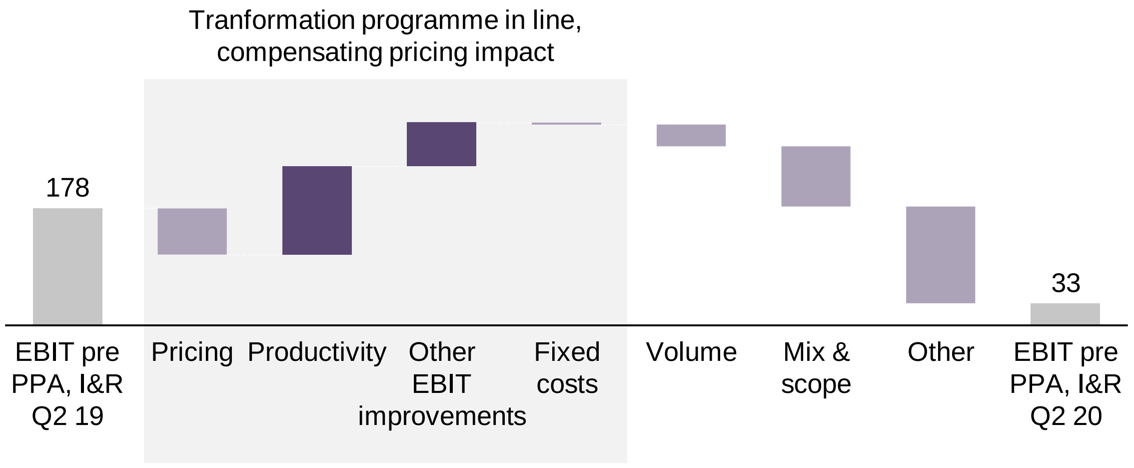
- **Strong Onshore volume growth in Americas** offset by project execution delays in EMEA and APAC impacted by COVID-19
- **Reduced revenue in Offshore** in line with FY 20 project execution planning
- **Service revenue growth** driven by growth of maintenance contracts and integration of Senvion Service assets

Q2 20 margin impacted by COVID-19: €56m or 2.5 p.p. of Q2 20 revenue

EBIT margin pre PPA and I&R costs



Group EBIT pre PPA and I&R costs (€m): Q2 20 vs. Q2 19

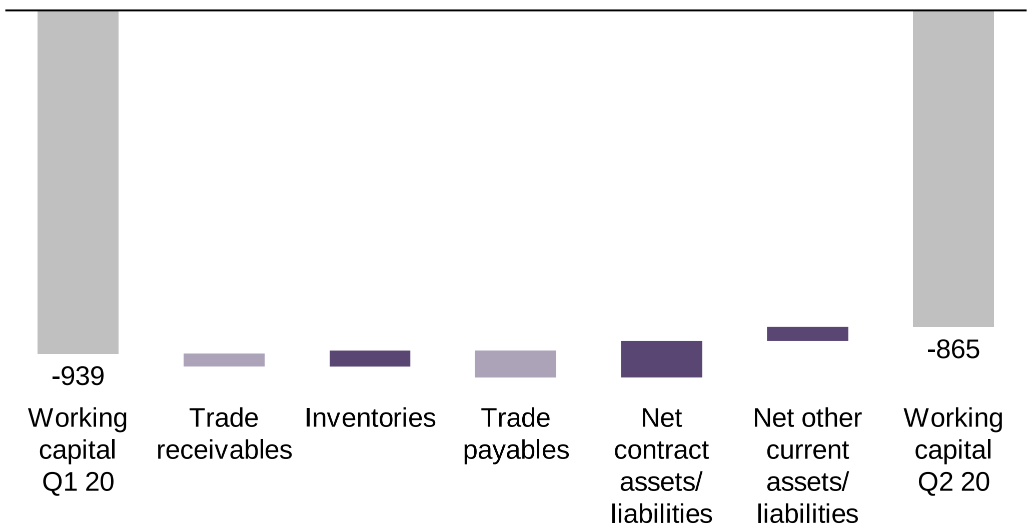


- Pricing, productivity, volume and mix effects in line with expectations
- COVID-19 related cost increases included in “Other”

1) Together with the COVID-19 impact, the “Other” category includes a negative FX impact in Q2 20 and the positive impact from provisions releases in Q2 19, on account of better performance of Offshore product platforms and Service costs, not repeated in Q2 20. Additional costs driven by execution challenges in the Northern European pipeline and the slow down in India compensated by the settlement reached with Areva

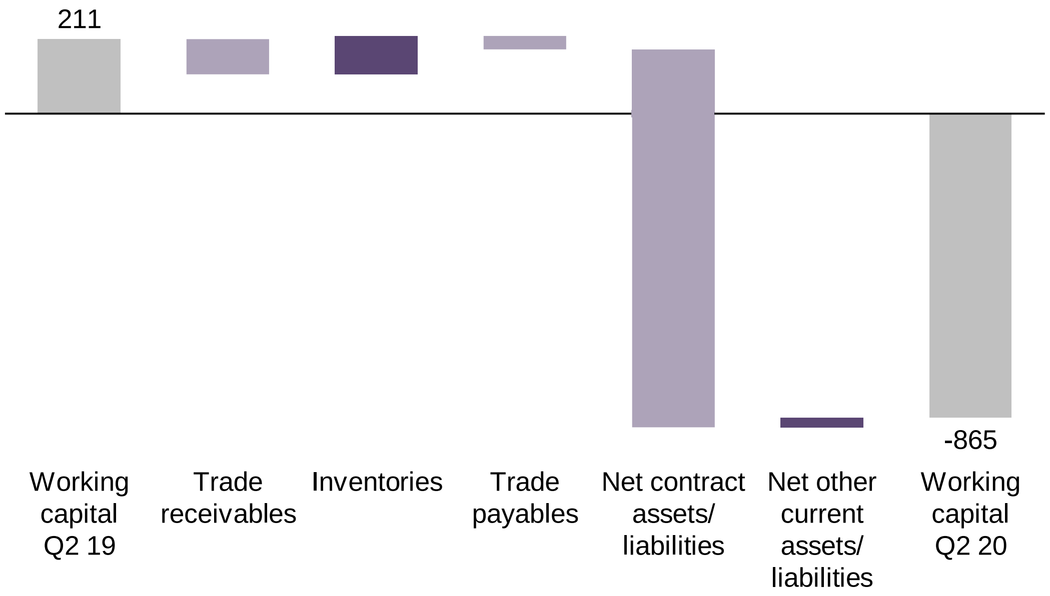
Strict control of working capital continues

YoY evolution of working capital[1] (€m)



- **Order intake, project planning and strict working capital control drive YoY improvement**

QoQ evolution of working capital[1] (€m)

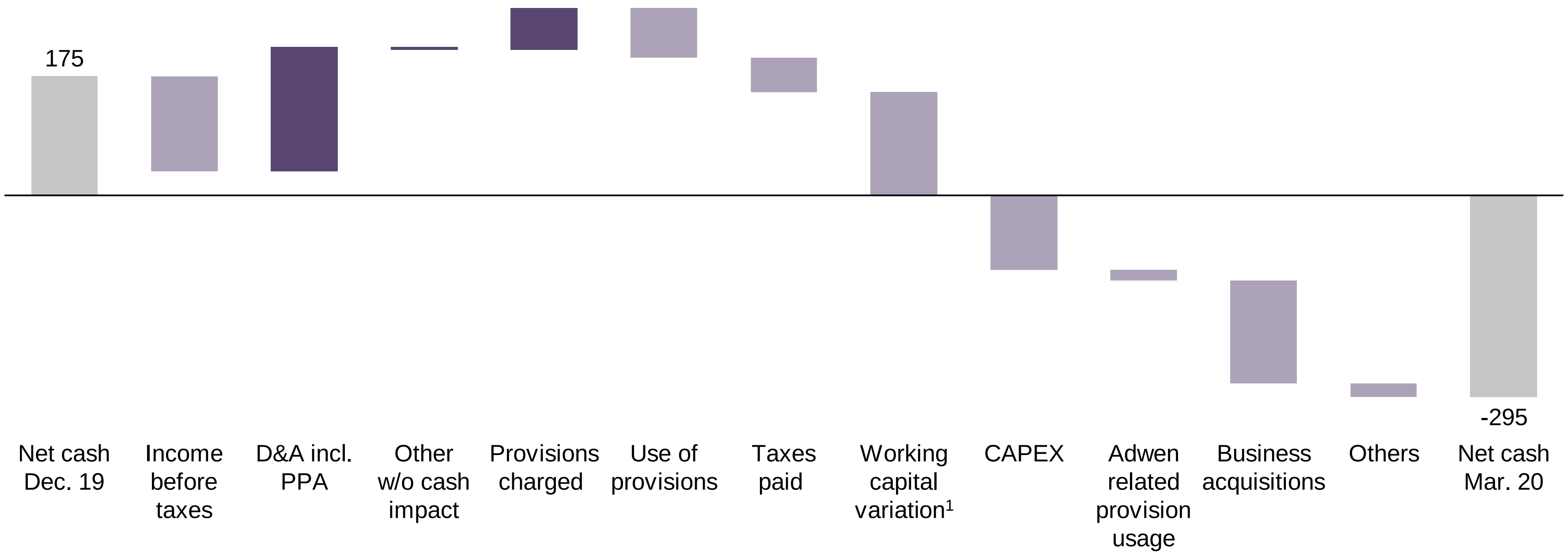


- **QoQ evolution impacted by order intake and project execution delays driven by COVID-19**

1) Full detail of working capital accounts can be found in the Activity Report

Net debt position in Q2 20 driven by working capital and payment for Senvion Service assets

Net (debt)/cash variation QoQ in Q2 20 (€m)



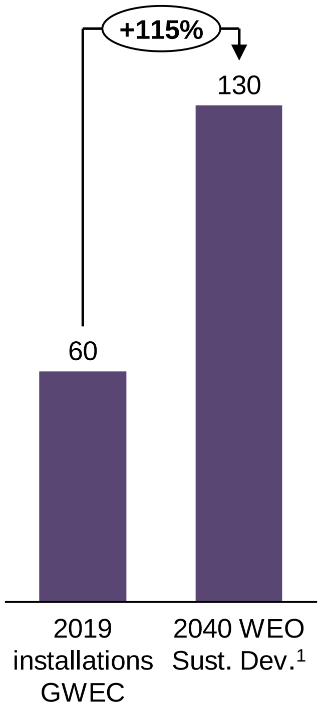
YoY net debt position, excluding the implementation of IFRS 16[2], improved by c. €429m after payment for Senvion Service assets

1) Working capital cash flow effective change
2) Excluding short- and long-term lease liabilities of €606m, net debt as of March 31, 2020 would have amounted to a net cash position of €311m versus a net debt position of €118m as of March 31, 2019

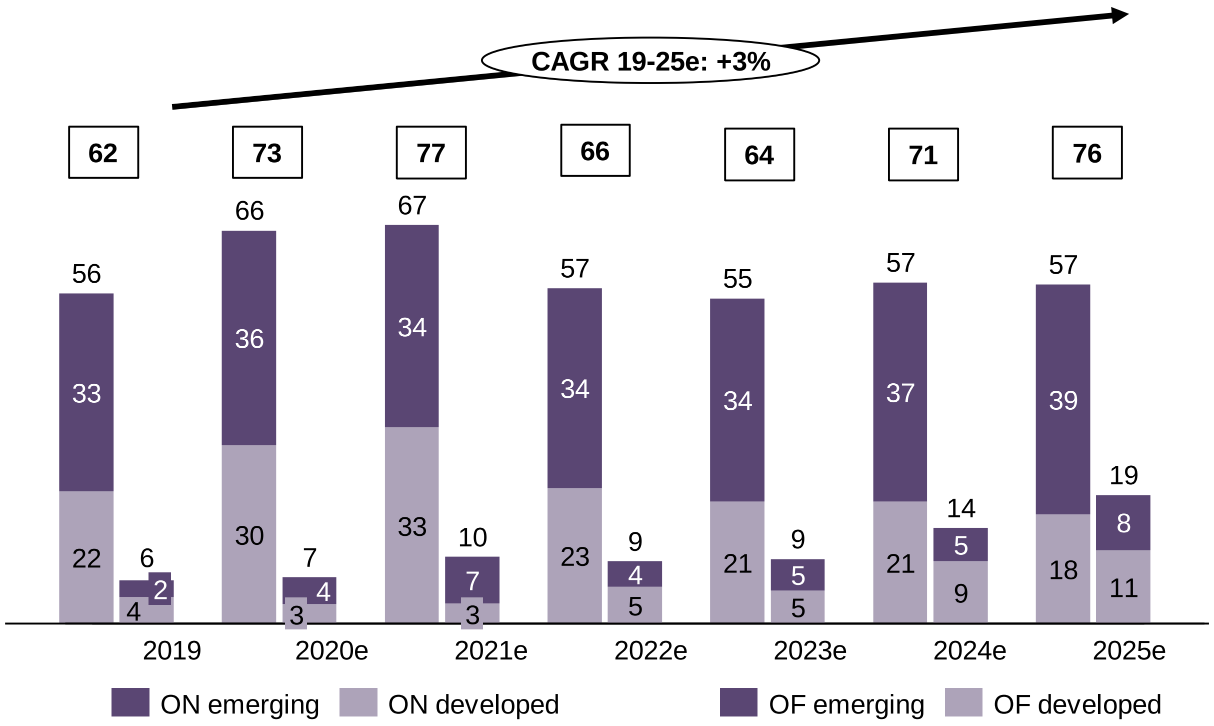
Outlook & Conclusion

Strong potential of wind energy confirmed. SGRE placed to benefit from growth drivers

Average annual installations ON and OF (GW)



Onshore + Offshore projections (GW)[2]



Increased Offshore commitments throughout all markets with annual installations moving above 20 GW[1] before the end of the decade

1) International Energy Agency
2) Wood Mackenzie: Global Wind Power Market Outlook Update: Q1 2020

Conclusions

Short-term financial performance impacted by **COVID-19** that intensifies some WTG ON execution challenges. **Guidance withdrawn and Indian restructuring initiated**

Solid balance sheet and secured long-term financing

Strong long-term prospects unchanged with enhanced visibility: order backlog of €28.6bn

Service and Onshore competitive positioning reinforced through Senvion assets acquisition. Acquisition of Vagos facility closed in Q3 20

Clear roadmap to lead on ESG metrics

Short-term outlook withdrawn, long-term commitments unchanged

Thank you!