

Q1 20

RESULTS

February 4, 2020

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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 stricter ESG¹ principles



Introduction of **sustainability criteria throughout the financing chain**: syndicated loan, guarantee lines and FX



Inclusion in Bloomberg Gender Equality Index

Committed to respecting human rights and the environment ...



Red Pacto Mundial España
WE SUPPORT



Caring for Climate



... and part of the main ESG indices



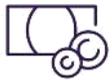
1) ESG: Environmental, Social and Governance

Q1 20 Highlights

A large wind turbine silhouette is positioned on the left side of the frame, extending from the bottom to the top. The background features a sunset sky with a layer of clouds, transitioning from a warm orange glow near the horizon to a clear blue sky at the top.

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Q1 20 Highlights



Q1 20 financial performance: revenue of €2,001m and -6.8% EBIT margin¹, **impacted by unforeseen execution one-offs in WTG ON** (c. €150m). **WTG OF and Service performance in line**

- **EBIT margin¹ guidance adjusted to 4.5%-6.0%**; revenue guidance maintained



Long-term vision remains unchanged with increased Offshore global commitments



Record backlog of €28.1bn, with €4.6bn in firm orders



Long-term sustainable funding secured:

- Maturity extension and improved conditions of the €2.5bn syndicated facility
- **Net cash position up c. €600m² in the LTM**

1) EBIT margin pre PPA and I&R costs, excluding the impact of PPA on the amortization of intangibles: €66m, and the integration and restructuring costs: €27m in Q1 20

2) Net cash increase excluding accounting impact of IFRS 16 introduction

Early adverse weather and road conditions as main drivers of project delays and one-off extra costs



- **Execution of 5 projects** (c. 1,115 MW) in Northern Europe impacted
- **Complex access**, with unprepared road conditions¹, and an **early arrival of winter conditions** narrowed the installation window
- **Remedy actions taken.** Improved risk assessment in project management established, focus on claim management, organizational changes and corporate governance strengthened

One-off extra cost of c. €150m associated to the execution of the Northern European pipeline

1) Road work preparation outside scope of Siemens Gamesa responsibility

Long-term vision intact and supported by today's successes

ON: First SG 6.0-155 contract signed: 210 MW



New product platforms (4 MW+) represent 44% of Q1 20 OI (up from 26% in FY 19)

OF: 2.6 GW preferred supplier agreement in US



Enhanced growth visibility: 6.1 GW in order backlog and 9.6 GW in pipeline¹

SE: Record order intake in Q1 20: €1.5bn



All-time high order intake driving backlog to €13bn

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

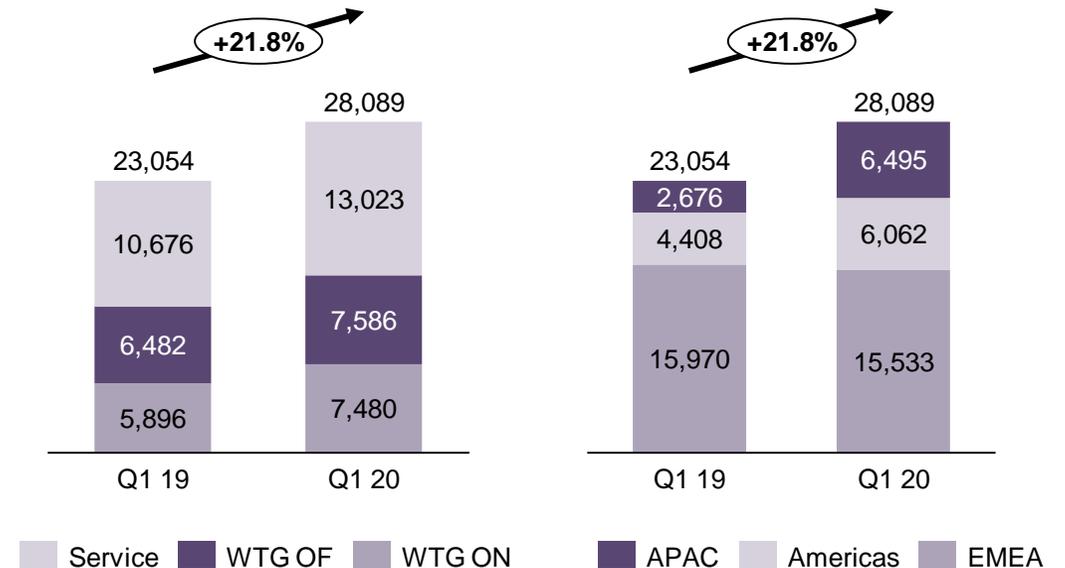
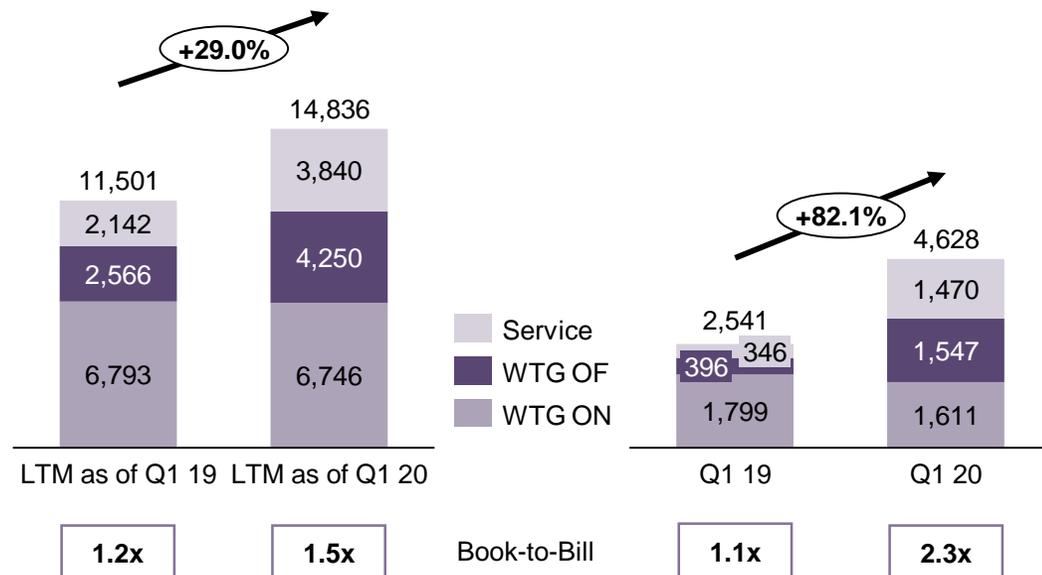
Commercial activity



Record order backlog: €28.1bn, up 21.8% YoY, with order intake of €4.6bn, up 82.1% YoY

Order intake¹ LTM and Q1 (€m)

Order backlog (€m)



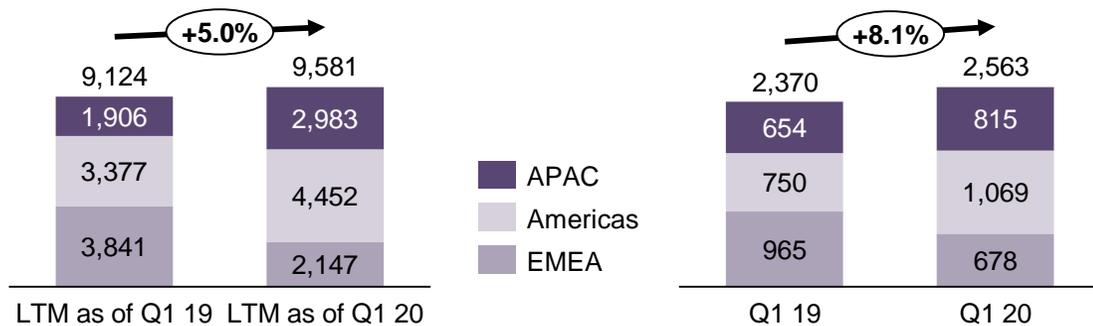
Growth story confirmed: 98% coverage² of midpoint of FY 20 revenue guidance and 100% of low-end

1) WTG ON order intake includes €2m in solar orders in Q4 19, €0.6m in Q3 19, €33m in Q2 19, €6m in Q1 19, and €9m in Q3 18

2) Revenue coverage: Q1 20 sales plus order backlog (€) as of December 19 for FY 20 sales activity divided by the FY 20 revenue guidance range of €10.2bn to €10.6bn

New Q1 record WTG ON order intake: 2.6 GW, up 8.1% YoY

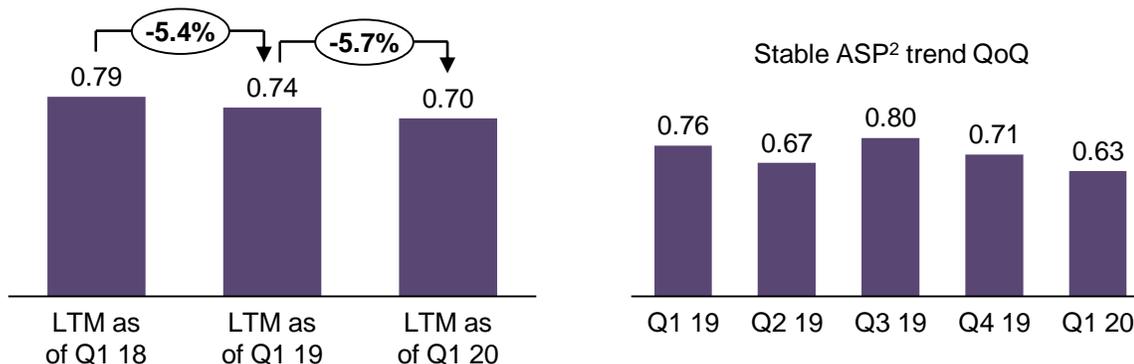
WTG ON order intake¹ LTM and Q1 (MW)



Record commercial activity in Q1 20 driven by Americas and APAC

- 464 MW of firm order intake in China (18%), followed by Canada (16%), and Brazil and Sweden (each 9%)
- 4 MW+ new platforms continue to gain traction: 44% of Q1 order intake

Average selling price of WTG ON order intake¹ (€m/MW)



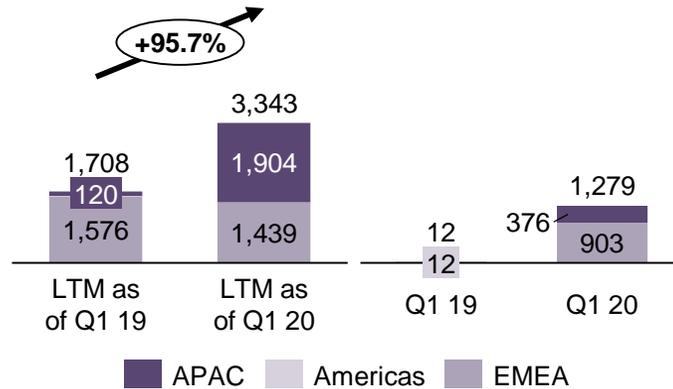
Stable pricing

- Q1 20 ASP YoY decline driven by different regional mix with higher contribution from Americas and APAC and increased contribution of more powerful platforms
 - Q1 20 ASP excluding China: €0.68m/MW

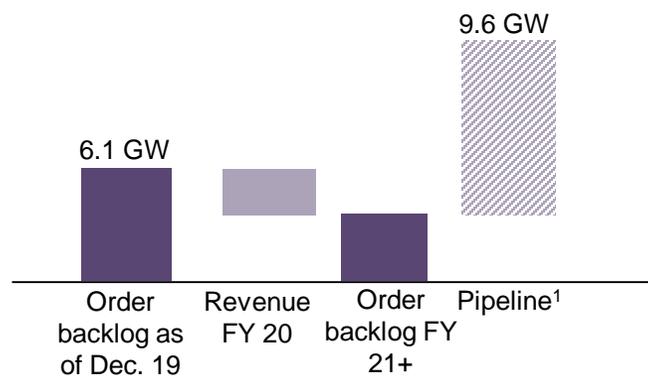
1) Order intake WTG ON (MW) and average selling price of WTG ON order intake includes only wind orders
 2) Average selling price (ASP) in individual quarters fluctuate driven by regional mix and scope of projects

Leading competitive positioning in WTG OF: 6.1 GW in order backlog and 9.6 GW in pipeline

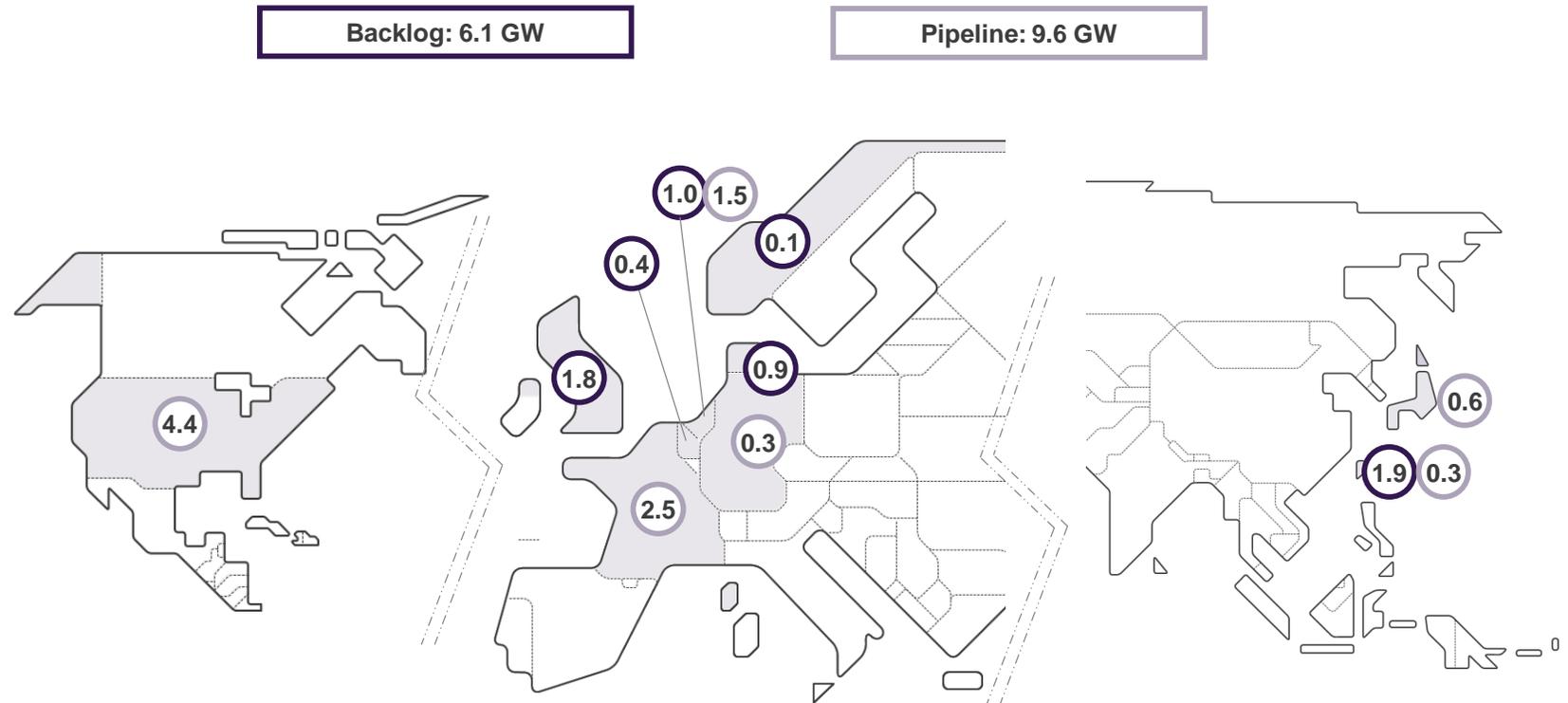
WTG OF order intake (MW)



WTG OF backlog and pipeline¹



Backlog and Pipeline (GW)



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

Q1 20 Results & KPIs



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Consolidated Group – Key figures Q1 20 (October-December)

P&L (€m)	Q1 19	Q1 20	Var. %
Group revenue	2,262	2,001	-11.6%
EBIT pre PPA and I&R costs	138	-136	NA
EBIT margin pre PPA and I&R costs	6.1%	-6.8%	-12.9 p.p.
PPA amortization ¹	66	66	-0.7%
Integration & restructuring costs	32	27	-14.8%
Reported EBIT	40	-229	NA
Net interest expenses	-14	-12	-8.2%
Tax expense	-8	68	NA
Reported net income to SGRE shareholders	18	-174	NA
CAPEX	81	92	11
CAPEX to revenue (%)	3.6%	4.6%	1.0 p.p.

Balance Sheet (€m)	Q1 19	IFRS 16 impact ⁴		Q1 20	Var. YoY	Var. QoQ
		Sept. 30, 19	Oct. 1, 19 ⁴			
Working capital	-27	-833	-843	-939	-911	-95
Working capital to LTM revenue (%) ²	-0.3%	-8.1%	-8.2%	-9.4%	-9.1 p.p.	-1.2 p.p.
Provisions ³	2,390	2,177	2,177	2,198	-192	21
Net (debt)/cash	165	863	280	175	10	-105
Net (debt)/cash to LTM EBITDA ²	0.19	0.96	0.31	0.27	0.07	-0.04

1) Impact of PPA on the amortization of the fair value of intangibles

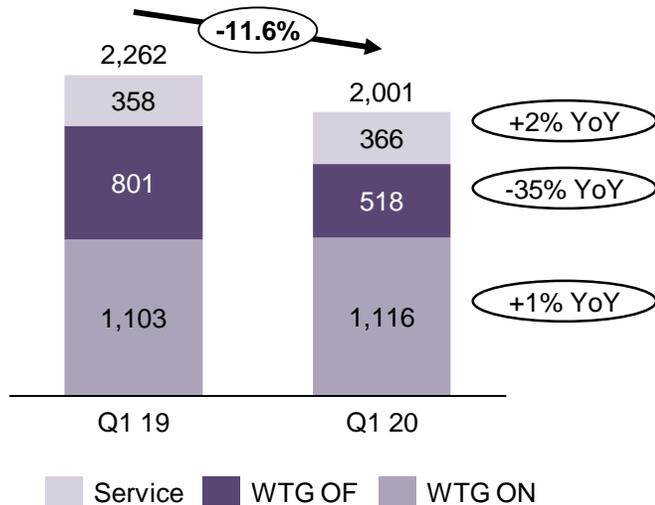
2) LTM revenues €9,966m; LTM EBITDA €655m

3) Within group provisions, Adwen provisions stand at €655m

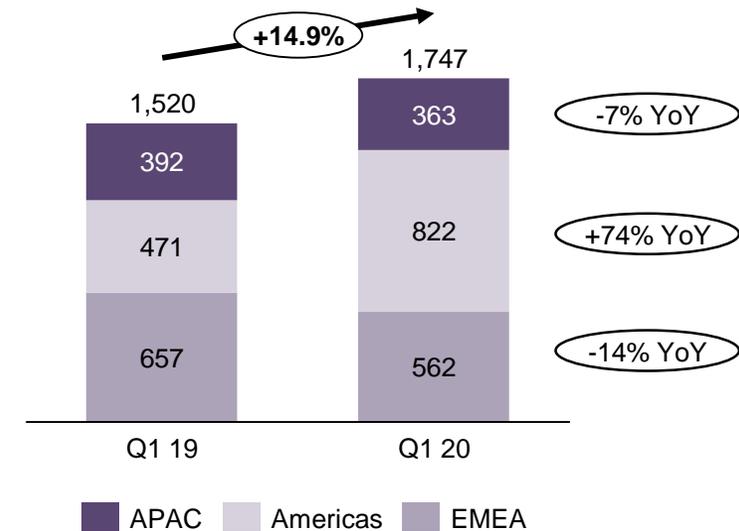
4) Introduction of IFRS 16 from October 1, 2019 onwards reduces the net cash position of €863m as of September 30, 2019 to €280m as of October 1, 2019. It also changes working capital from €833m as of September 30, 2019 to €843m as of October 1, 2019. See note D.3 in the Consolidated Financial Statements of FY 19 and footnote 3 in the activity report of Q1 20

Revenue performance driven by back end loaded activity planning

Q1 Group revenues (€m)



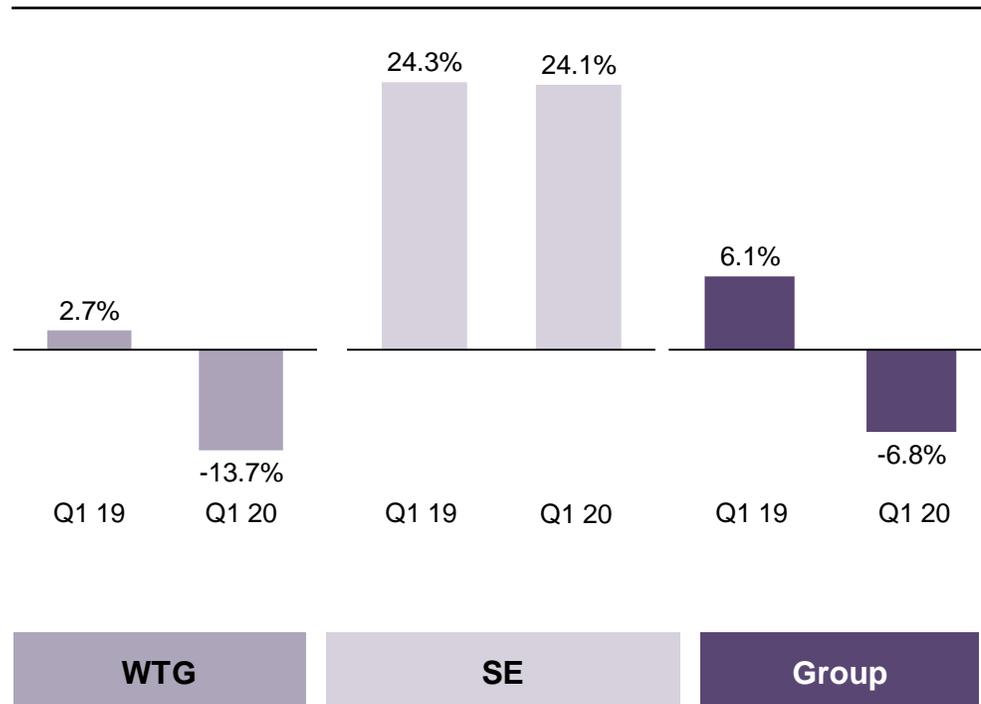
Q1 WTG ON sales volume by geography (MWe)



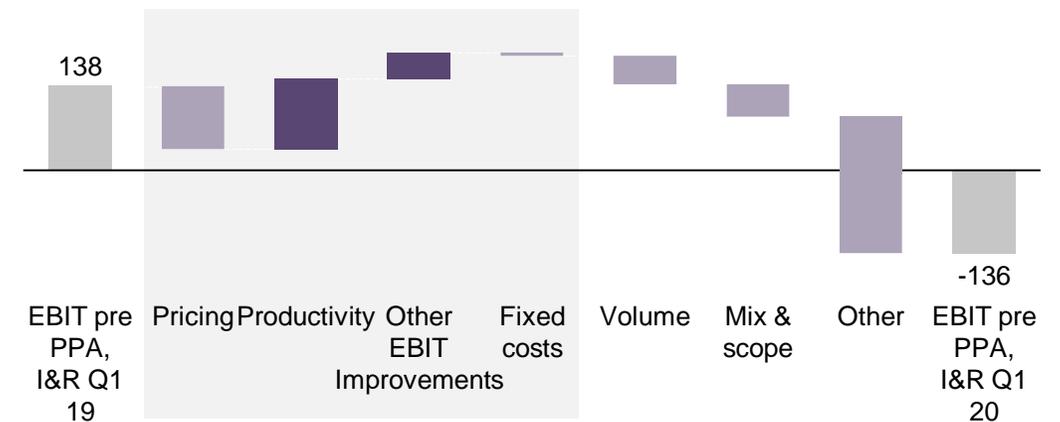
- **Strong volume growth in WTG ON Americas** negatively impacted by project execution delays in EMEA and APAC
- **Reduced revenue in Offshore** due to scheduled ramp up of SG 8.0-167 DD
- **Standard volatility of value added solutions (VAS)** in Service

Margin impacted by unforeseen one-off costs driven by WTG ON execution challenges

EBIT margin pre PPA and I&R costs



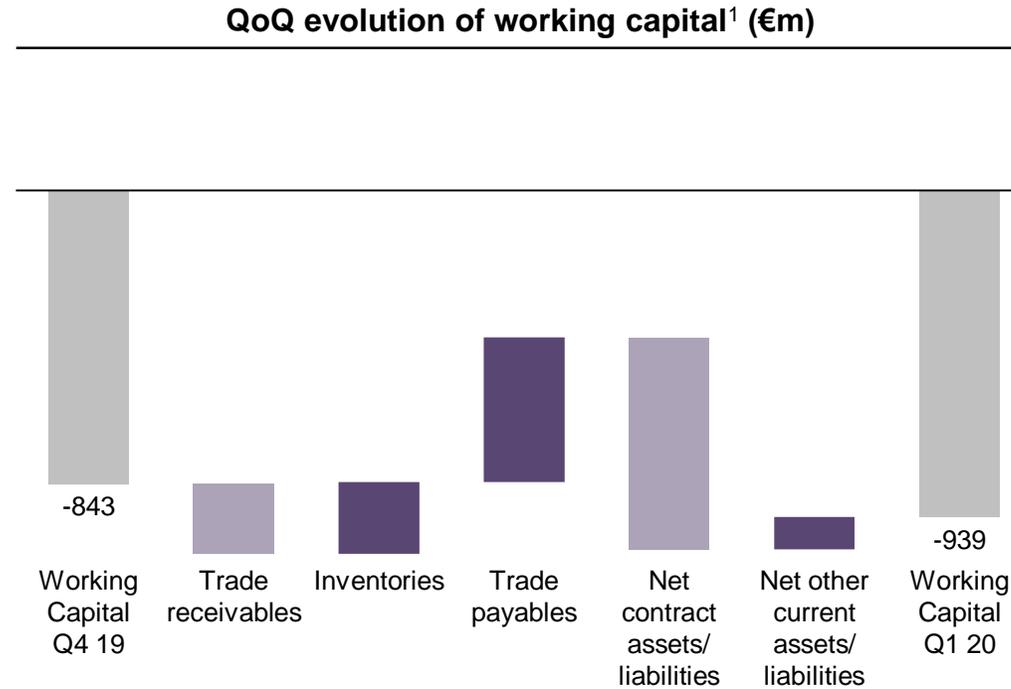
Group EBIT pre PPA and I&R costs (€m): Q1 20 vs. Q1 19



- Pricing, productivity, volume and mix effects in line with expectations
- Unforeseen one-time significant cost increases due to execution issues in selected WTG ON projects¹

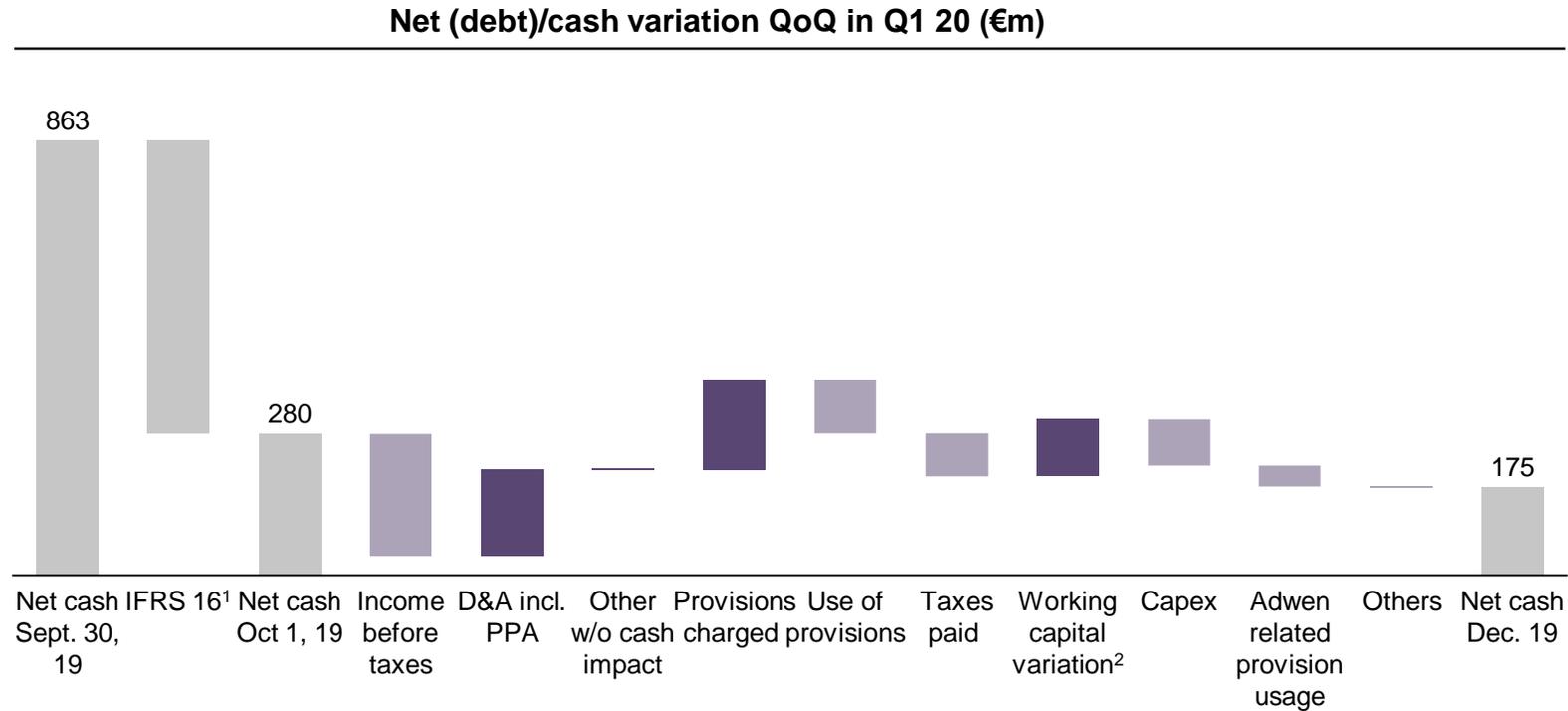
1) These extra costs are included in "Other" in the EBIT pre PPA and I&R costs' bridge

Order intake, activity planning, focus on trade receivables drive Q1 20 working capital performance



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

Net debt position in Q1 20 change as a result of IFRS 16 introduction



1) First-time introduction of IFRS 16 increase liabilities by €583m driving the net cash position as of October 1, 2019 to €280m from €863m at the end of FY 19

2) Working capital cash flow effective change

Outlook & Conclusion



Q1 20 impacted by unforeseen one-time extra-costs; EBIT margin pre PPA and I&R costs adjusted accordingly

Guidance ¹	Q1 20	FY 20E ² OLD	FY 20E ² NEW	
Revenue (in €m)	2,001	10,200 - 10,600	10,200 - 10,600	✓
EBIT margin pre PPA and I&R costs (in %)	-6.8%	5.5% - 7.0%	4.5% - 6.0%	-1.0%

1) Guidance excludes the impact of the acquisition of selected assets of Servion and any impact from the change in the composition of SGRE shareholder base

2) This outlook excludes charges related to legal and regulatory matters and it is given at constant FX rates

Acquisition of Senvion European services assets and IP completed

Acquisition process on time

- ✓ Acquisition of SE assets and IP completed
- ✓ Ria Blades¹ (Vagos manufacturing facility) acquisition planned to be closed in Q2 20

Financial impact confirmed²

- ✓ €1.6bn Service European onshore backlog (c. 9 GW fleet)
- ✓ EBIT pre PPA and I&R financial impact confirmed
 - 2020: limited impact due to (i) extraordinary corporate costs on Day 1 to have an operational Services carved-out business and (ii) ramp up at Vagos facility
 - Medium term impact: > €50m p.a.

Senvion Service Day 1 readiness completed

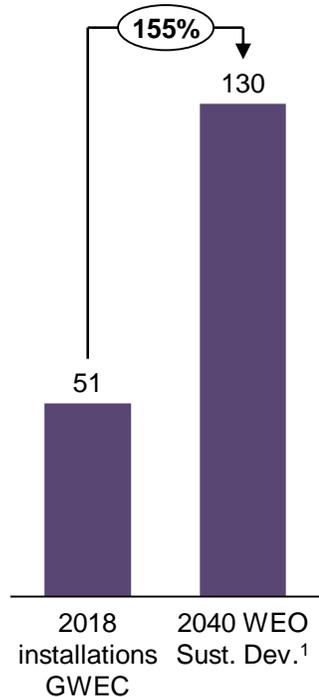
- ✓ Business legally and operationally carved-out
- ✓ Transitioned to integration phase

1) Closing of Ria Blades transaction still subject to the fulfillment of certain conditions precedent (ad hoc communication from January 9, 2020)

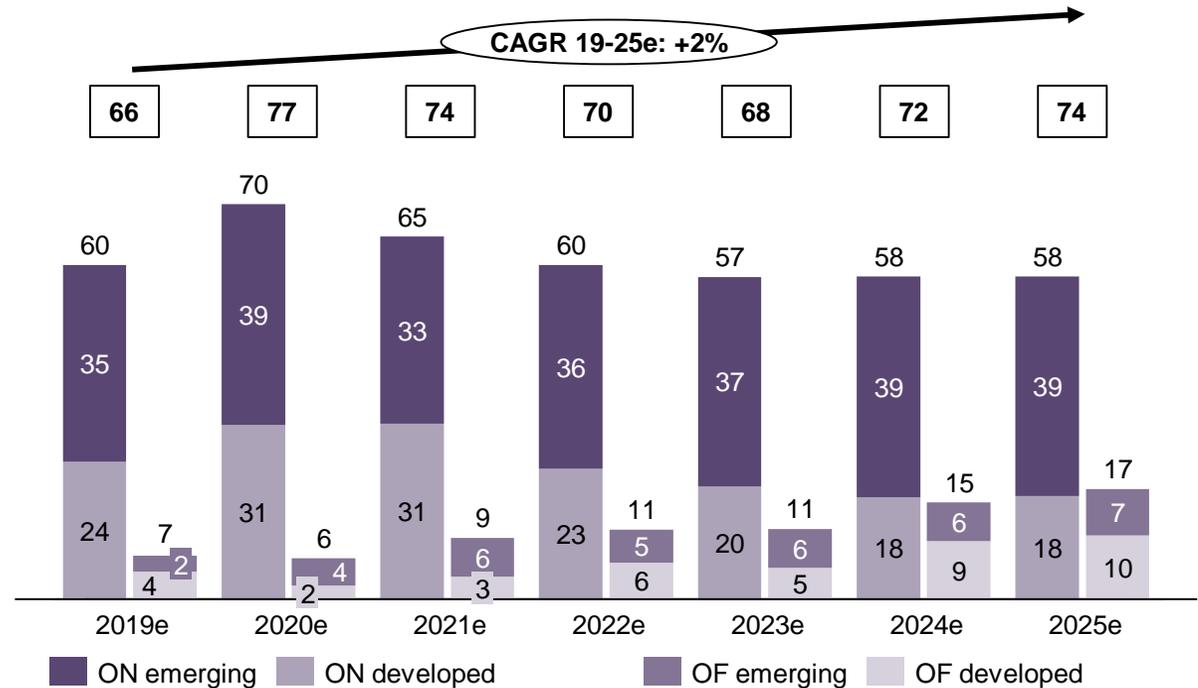
2) Includes Senvion Deutschland (SE assets + IP) and Ria Blades (Manufacturing facility in Vagos)

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 GW² before the end of the decade

1) International Energy Agency
 2) Wood Mackenzie Q4 2019 Global Wind Outlook

Conclusions



Short-term financial performance impacted by **unforeseen one-off** WTG ON execution challenges. **Guidance adjusted accordingly**



Solid balance sheet and secured long-term financing



CMD on May 6, 2020



Strong long-term prospects unchanged with enhanced visibility: order backlog of €28.1bn



Service competitive positioning reinforced through Senvion¹ assets acquisition



Clear roadmap to lead on ESG metrics

1) Closing of Ria Blades transaction still subject to the fulfillment of certain conditions precedent (ad hoc communication from January 9, 2020)

Annex



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Q2 20 calendar



- February 5-6: London
- February 6: Santander Iberian conference
- February 27: Paris
- March 3-5: Copenhagen, Helsinki, Oslo and Stockholm



Thank you!

