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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.
Q2 19 Highlights

Introduction of the new Onshore platform: SG 5.8-155 and SG 5.8-170, providing best in class AEP, combining proven technology with next generation technology

Record order backlog: €23.6bn, up 7% YoY, and low-end of revenue guidance fully covered¹

- Q2 19 order intake: €2.5bn supported by strong growth in Service orders, up 11% YoY; LTM order intake: €10.9bn, up 8% YoY, supported by a sound performance in all segments
- Stable pricing in the WTG ON order intake with ASP impacted by regional mix and scope

Financial performance in line with FY 19 guidance: Q2 19 revenue of €2,389m, up 7% YoY, and EBIT margin pre PPA and I&R costs of 7.5%²

- Net debt position of €118m driven by increased working capital in preparation for expected peak WTG activity

First Wind OEM to receive an investment grade rating: BBB-, positive outlook (S&P) and Baa3, stable outlook (Moody’s)

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¹) Revenue coverage: H1 19 revenue plus order backlog (€) as of March 19 for FY 19 sales activity divided by the FY 19 revenue guidance range of €10bn to €11bn. Full guidance on page 25.
²) EBIT pre PPA and I&R costs excludes the impact of PPA on the amortization of intangibles: €66m, and integration and restructuring costs: €22m in Q2 19.
Content

1. Q2 19 Highlights
2. Commercial activity
3. Q2 19 Results & KPIs
4. Outlook & conclusion
Record Q2 19 order backlog: €23.6bn, up 7% YoY

**BU developments**

- **ON order backlog** (25% of total) continuing with the strong recovery from the FY 17 lows

- **OF order backlog** (27% of total) reflecting the usual volatility of OF order intake

- **Service order backlog** (48% of total) enjoying higher margins

**Group order backlog (€bn)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>WTG ON</th>
<th>WTG OF</th>
<th>WTG</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 18</td>
<td>22.0</td>
<td>10.5</td>
<td>7.1</td>
<td>4.4</td>
</tr>
<tr>
<td>Q3 18</td>
<td>23.2</td>
<td>10.7</td>
<td>7.8</td>
<td>4.7</td>
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<tr>
<td>Q4 18</td>
<td>22.8</td>
<td>10.8</td>
<td>6.9</td>
<td>5.1</td>
</tr>
<tr>
<td>Q1 19</td>
<td>23.1</td>
<td>10.7</td>
<td>6.5</td>
<td>5.9</td>
</tr>
<tr>
<td>Q2 19</td>
<td>23.6</td>
<td>11.3</td>
<td>6.4</td>
<td>5.9</td>
</tr>
</tbody>
</table>
Order backlog provides enhanced visibility for 2019 and beyond

- 100% of low end of FY 19 revenue guidance covered and 96% of mid point as of March 31
- Offshore and Service: higher level and duration of backlog
- Onshore: solid order backlog after strong order intake

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1) Revenue coverage: H1 19 revenue plus order backlog (€) as of March 31 for FY 19 activity divided by the average point of the FY 19 revenue guidance range of €10bn to €11bn. Full guidance on page 25.

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Q2 19 order intake supported by Service. Group Book-to-Bill ratio of 1.0x in Q2 19

SGRE order intake (€m)\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>Q2 18</th>
<th>Q3 18</th>
<th>Q4 18</th>
<th>Q1 19</th>
<th>Q2 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>3,043</td>
<td>3,292</td>
<td>2,625</td>
<td>2,541</td>
<td>2,466</td>
</tr>
<tr>
<td>WTG OF</td>
<td>588</td>
<td>531</td>
<td>346</td>
<td>749</td>
<td></td>
</tr>
<tr>
<td>WTG ON</td>
<td>1,834</td>
<td>1,529</td>
<td>1,985</td>
<td>1,799</td>
<td>1,200</td>
</tr>
</tbody>
</table>

LTM order intake of €10.9bn and Book-to-Bill of 1.2x

<table>
<thead>
<tr>
<th></th>
<th>Q2 19</th>
<th>LTM 03/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>vs. Q2 18</td>
<td>-19.0%</td>
<td>+7.7%</td>
</tr>
<tr>
<td>vs. LTM 03/18(^2)</td>
<td>+10.7%</td>
<td>+7.8%</td>
</tr>
</tbody>
</table>

Business development

- LTM order intake: €10.9bn, +8% YoY with Book-to-Bill of 1.2x, supported by growth in all three market segments
- Q2 19: €2.5bn and Book-to-Bill ratio of 1.0x impacted by
  (+) strong growth in Service order intake
  (-) comparison impacted by record volume in Onshore order intake in Q2 18
  (-) standard volatility in Offshore order intake

1) WTG ON order intake includes €33m in solar orders in Q2 19, €8m in Q1 19 and €9m in Q3 18.
2) LTM 03/18: last twelve months as of March 31, 2018; LTM 03/19: last twelve months as of March 31, 2019.
Sound WTG ON commercial activity; strong performance in the US market

**Order intake WTG ON (MW)**

<table>
<thead>
<tr>
<th>Order intake WTG ON (MW)</th>
<th>Q2 18</th>
<th>Q3 18</th>
<th>Q4 18</th>
<th>Q1 19</th>
<th>Q2 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>APAC</td>
<td>2,464</td>
<td>1,660</td>
<td>2,631</td>
<td>2,370</td>
<td>1,742</td>
</tr>
<tr>
<td>Americas</td>
<td>847</td>
<td>12</td>
<td>393</td>
<td>654</td>
<td>399</td>
</tr>
<tr>
<td>EMEA</td>
<td>699</td>
<td>737</td>
<td>1,191</td>
<td>750</td>
<td>1,035</td>
</tr>
<tr>
<td></td>
<td>918</td>
<td>910</td>
<td>1,047</td>
<td>965</td>
<td>308</td>
</tr>
</tbody>
</table>

**LTM order intake: 8.4 GW, up 12% YoY**

- Q2 19 commercial activity driven by Americas
- US (44%), China (15%) and Canada (11%) are the main contributors to order intake (MW) in Q2 19
- 36% of total order intake volume in Q2 19 signed with the SG 4.5-145

**Average selling price**

- Q1 18: $88m, Q3 18: $9m, Q1 19: $6m, Q2 19: $33m

**Stable ASP trend QoQ**

- Q2 17: 0.84, Q2 18: 0.75, Q2 19: 0.73

**Pricing dynamics**

- ASP in individual quarters fluctuate driven by regional mix and scope of projects. ASP in Q2 19 impacted by stronger contribution from China. Excluding China, Q2 19 ASP: $0.72m/MW
- Ongoing market price stabilization continues

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1. Order intake WTG ON (MW) includes only wind orders.
2. Average Selling Price of order intake: order intake (€)/order intake (MW). Solar order intake excluded from the calculation: €88m in Q1 18, €9m in Q3 18, €6m in Q1 19 and €33m in Q2 19.
3. LTM Q2 17 and LTM Q2 18: pro forma data.
WTG OF continues leading the Offshore market; commercial activity showing standard volatility

**Order intake WTG OF (MW)**

- Q2 18: 328
- Q3 18: 1,368
- Q4 18: 12
- Q1 19: 464

Conversion of order backlog (€bn)

- Order backlog WTG OF Sep. 18: 328
- H1 19 revenue: 12
- H2 19E revenue: 464
- FY 20+ revenue: 328

**Business development**

- Standard volatility of WTG OF order intake, after high order intake in FY 18 (2.3 GW)
- SeaMade Project (Belgium) enters the order backlog in Q2 19
- Supplier framework agreement reached with Eolien Maritime France for 1 GW of projects in France
- Selected preferred supplier by Vattenfall to participate with the SG 10.0-193 DD wind turbine in the Hollandse Kust Zuid III & IV auctions

**Backlog coverage**

- Offshore order backlog provides full coverage of FY 19 revenue

1) Projects auctioned in 2012.
## Content

<table>
<thead>
<tr>
<th></th>
<th>1. Q2 19 Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Commercial activity</td>
</tr>
<tr>
<td>3</td>
<td>Q2 19 Results &amp; KPIs</td>
</tr>
<tr>
<td>4</td>
<td>Outlook &amp; conclusion</td>
</tr>
</tbody>
</table>
Consolidated Group – Key figures Q2 19 (January-March)

### Q2 19 Financial KPIs

<table>
<thead>
<tr>
<th>€m</th>
<th>Q2 18</th>
<th>Q2 19</th>
<th>Var. %</th>
<th>H1 19</th>
<th>Var. %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group revenue</td>
<td>2,242</td>
<td>2,389</td>
<td>7%</td>
<td>4,651</td>
<td>6%</td>
</tr>
<tr>
<td>WTG</td>
<td>1,973</td>
<td>2,060</td>
<td>4%</td>
<td>3,964</td>
<td>4%</td>
</tr>
<tr>
<td>Service</td>
<td>268</td>
<td>330</td>
<td>23%</td>
<td>687</td>
<td>24%</td>
</tr>
<tr>
<td>WTG volume (MWe)</td>
<td>1,830</td>
<td>2,383</td>
<td>30%</td>
<td>4,513</td>
<td>18%</td>
</tr>
<tr>
<td>Onshore</td>
<td>1,397</td>
<td>1,707</td>
<td>22%</td>
<td>3,228</td>
<td>6%</td>
</tr>
<tr>
<td>Offshore</td>
<td>432</td>
<td>676</td>
<td>56%</td>
<td>1,285</td>
<td>65%</td>
</tr>
<tr>
<td>EBIT pre PPA, I&amp;R costs</td>
<td>189</td>
<td>178</td>
<td>-6%</td>
<td>316</td>
<td>-2%</td>
</tr>
<tr>
<td>EBIT margin pre PPA, I&amp;R costs</td>
<td>8.4%</td>
<td>7.5%</td>
<td>-1.0 p.p.</td>
<td>6.8%</td>
<td>-0.6 p.p.</td>
</tr>
<tr>
<td>WTG EBIT margin pre PPA, I&amp;R costs</td>
<td>6.5%</td>
<td>5.1%</td>
<td>-1.4 p.p.</td>
<td>3.9%</td>
<td>-1.2 p.p.</td>
</tr>
<tr>
<td>Service EBIT margin pre PPA, I&amp;R costs</td>
<td>22.3%</td>
<td>22.0%</td>
<td>-0.3 p.p.</td>
<td>23.2%</td>
<td>0.9 p.p.</td>
</tr>
<tr>
<td>PPA amortization</td>
<td>75</td>
<td>66</td>
<td>-11%</td>
<td>133</td>
<td>-16%</td>
</tr>
<tr>
<td>Integration &amp; restructuring costs</td>
<td>61</td>
<td>22</td>
<td>-64%</td>
<td>54</td>
<td>-29%</td>
</tr>
<tr>
<td>Reported EBIT</td>
<td>54</td>
<td>90</td>
<td>68%</td>
<td>130</td>
<td>46%</td>
</tr>
<tr>
<td>Reported Net Income to SGRE shareholders</td>
<td>35</td>
<td>49</td>
<td>40%</td>
<td>67</td>
<td>NA</td>
</tr>
<tr>
<td>Net Income per share to SGRE shareholders</td>
<td>0.05</td>
<td>0.07</td>
<td>40%</td>
<td>0.10</td>
<td>NA</td>
</tr>
<tr>
<td>Capex</td>
<td>84</td>
<td>108</td>
<td>25</td>
<td>189</td>
<td>23</td>
</tr>
<tr>
<td>Capex to revenue (%)</td>
<td>3.7%</td>
<td>4.5%</td>
<td>0.8 p.p.</td>
<td>4.1%</td>
<td>0.3 p.p.</td>
</tr>
<tr>
<td>Working capital</td>
<td>291</td>
<td>211</td>
<td>-80</td>
<td>211</td>
<td>-80</td>
</tr>
<tr>
<td>Working capital to LTM revenue (%)</td>
<td>3.1%</td>
<td>2.2%</td>
<td>-0.9 p.p.</td>
<td>2.2%</td>
<td>-0.9 p.p.</td>
</tr>
<tr>
<td>Net (debt)/Cash</td>
<td>-112</td>
<td>-118</td>
<td>-5</td>
<td>-118</td>
<td>-5</td>
</tr>
<tr>
<td>Net (debt) to LTM EBITDA</td>
<td>-0.16</td>
<td>-0.13</td>
<td>0.03</td>
<td>-0.13</td>
<td>0.03</td>
</tr>
</tbody>
</table>

### Comments

- **Revenue growth** driven by strong Offshore and Service performance. Onshore sales recovery expected in H2 19
- **Lower pricing in order backlog remains the main factor impacting group profitability**
- **Q2 19 reported net income up 40% YoY**, on the back of lower impact from PPA and I&R costs:
  - Net financial expenses: €13m (€10m in Q2 18)
  - Income tax expense: €27m (€11m in Q2 18)
  - Impact of PPA on the amortization of the fair value of intangibles and of integration and restructuring costs, net of taxes: €64m (€98m in Q2 18)
- **Net debt: €118m** driven by increase in working capital ahead of peak WTG activity in FY 19

1) Adwen impact on Q2 19 EBIT pre PPA and I&R costs of -€4m (-€6m in Q2 18).
2) Impact of PPA on the amortization of the fair value of intangibles.
3) Reported net income per share to SGRE shareholders: reported net income to SGRE shareholders/weighted average outstanding number of shares in the period (Q2 18: 679,448,800, Q2 19: 679,481,656 and H1 19: 679,465,922).
Revenue growth in Q2 19 driven by strength of WTG OF and Service

Revenue (€m)

<table>
<thead>
<tr>
<th></th>
<th>WTG</th>
<th>Service</th>
<th>WTG OF</th>
<th>WTG ON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 18</td>
<td>1,277</td>
<td>696</td>
<td>1,973</td>
<td>268</td>
</tr>
<tr>
<td>Q3 18</td>
<td>1,052</td>
<td>775</td>
<td>1,827</td>
<td>308</td>
</tr>
<tr>
<td>Q4 18</td>
<td>1,349</td>
<td>858</td>
<td>2,207</td>
<td>411</td>
</tr>
<tr>
<td>Q1 19</td>
<td>1,103</td>
<td>801</td>
<td>1,904</td>
<td>358</td>
</tr>
<tr>
<td>Q2 19</td>
<td>1,243</td>
<td>817</td>
<td>2,060</td>
<td>330</td>
</tr>
</tbody>
</table>

- WTG ON revenue impacted (-) by lower pricing and scope of projects being executed in Q2 19. Back-end loaded project execution planning.
- WTG OF revenue impacted (+) by high volume of activity planned for the year.
- Service revenue impacted (+) by increase in maintenance revenue and value added solution (VAS).

Revenue growth in Q2 19 driven by strength of WTG OF and Service.
WTG ON sales volume growth driven by EMEA

Business development

- Sales volume growth driven by EMEA with sales activity (MWe) up 2.3x YoY
- Sales activity in 20 countries during Q2 19
  - US (28%), Spain (20%), India (15%) and Norway (11%) are the main contributors to the Q2 19 sales volume
Q2 19 EBIT margin pre PPA and I&R costs

EBIT margin pre PPA and I&R costs impacted mainly by lower pricing in the order backlog compensated by synergies and productivity from the transformation program and strong activity in WTG OF and Service.

Acceleration of transformation measures launched to improve Onshore performance; strong operational performance in Offshore.

Guidance: 7.0% - 8.5%
Lower pricing in WTG ON still has the largest impact on the Group EBIT evolution

**Group EBIT pre PPA and I&R (€m)**

- EBIT pre PPA, I&R Q2 18: 189
- Pricing
- Productivity
- Other EBIT improvements
- Fixed costs
- Volume
- Mix & scope
- Other
- EBIT pre PPA, I&R Q2 19: 178

**Business development**

- EBIT pre PPA and I&R mainly impacted by:
  - (-) Pricing decline in order backlog
  - (+) Volume
  - (+) Productivity and synergies
- Q2 18 EBIT pre PPA and I&R costs benefitted from strong “pre-auction” priced projects in LatAm

Transformation program (productivity improvements, synergies and fixed cost reduction) supports partial compensation of price reductions
# Sound balance sheet

## Key Balance Sheet Positions

<table>
<thead>
<tr>
<th>€m</th>
<th>Mar. 18</th>
<th>Sep. 18</th>
<th>Mar. 19</th>
<th>Var. YoY</th>
<th>Var. Sep. 18-Mar. 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>1,464</td>
<td>1,443</td>
<td>1,417</td>
<td>-46</td>
<td>-25</td>
</tr>
<tr>
<td>Goodwill &amp; intangibles</td>
<td>6,711</td>
<td>6,580</td>
<td>6,722</td>
<td>11</td>
<td>142</td>
</tr>
<tr>
<td>Working capital</td>
<td>291</td>
<td>-542</td>
<td>211</td>
<td>-80</td>
<td>753</td>
</tr>
<tr>
<td>Other, net</td>
<td>234</td>
<td>307</td>
<td>258</td>
<td>24</td>
<td>-49</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,699</strong></td>
<td><strong>7,787</strong></td>
<td><strong>8,608</strong></td>
<td><strong>-91</strong></td>
<td><strong>820</strong></td>
</tr>
<tr>
<td>Net financial debt/(cash)</td>
<td>112</td>
<td>-615</td>
<td>118</td>
<td>5</td>
<td>733</td>
</tr>
<tr>
<td>Provisions</td>
<td>2,620</td>
<td>2,445</td>
<td>2,254</td>
<td>-365</td>
<td>-191</td>
</tr>
<tr>
<td>Equity</td>
<td>5,938</td>
<td>5,926</td>
<td>6,206</td>
<td>289</td>
<td>280</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>29</td>
<td>31</td>
<td>29</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,699</strong></td>
<td><strong>7,787</strong></td>
<td><strong>8,608</strong></td>
<td><strong>-91</strong></td>
<td><strong>820</strong></td>
</tr>
<tr>
<td>Working capital</td>
<td>291</td>
<td>-542</td>
<td>211</td>
<td>-80</td>
<td>753</td>
</tr>
<tr>
<td>Working capital o/LTM revenues</td>
<td>3.1%</td>
<td>-5.9%</td>
<td>2.2%</td>
<td>-0.9 p.p.</td>
<td>8.2 p.p.</td>
</tr>
<tr>
<td>Provisions</td>
<td>2,620</td>
<td>2,445</td>
<td>2,254</td>
<td>-365</td>
<td>-191</td>
</tr>
<tr>
<td>Net financial (debt)/cash</td>
<td>-112</td>
<td>615</td>
<td>-118</td>
<td>-5</td>
<td>-733</td>
</tr>
<tr>
<td>Net (debt) to LTM EBITDA</td>
<td>-0.16</td>
<td>0.72</td>
<td>-0.13</td>
<td>0.03</td>
<td>-0.85</td>
</tr>
</tbody>
</table>

1) Summarized balance sheet showing net positions mainly on the asset side.
2) Comparable after the application of IFRS9 (see footnote 1 in slide 18).
3) Working Capital includes non-interest bearing liabilities to related parties (see footnote 2 in slide 18).
4) Working capital investment (€753m since end of September 2018) driven by strong sales activity planned for FY 19. Additional impact from reduction of trade payables since the end of FY 18
5) First Wind OEM to receive an investment grade rating: BBB-, positive outlook (S&P) and Baa3, stable outlook (Moody’s)

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Working capital driven by project execution planning and H2 19 expected peak activity levels

Working capital quarterly trend (€m)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Working Capital</th>
<th>Trade Receivables</th>
<th>Inventories</th>
<th>Net Contract Assets/Liabilities</th>
<th>Net Other Current Assets/Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 18</td>
<td>291</td>
<td>265</td>
<td>-542</td>
<td>1,139</td>
<td>1,700</td>
</tr>
<tr>
<td>Q3 18</td>
<td>1,091</td>
<td>1,158</td>
<td>-2,040</td>
<td>1,135</td>
<td>1,499</td>
</tr>
<tr>
<td>Q4 18</td>
<td>1,805</td>
<td>1,139</td>
<td>-2,758</td>
<td>1,925</td>
<td>1,700</td>
</tr>
<tr>
<td>Q1 19</td>
<td>1,135</td>
<td>1,925</td>
<td>-2,557</td>
<td>2,006</td>
<td>1,499</td>
</tr>
<tr>
<td>Q2 19</td>
<td>211</td>
<td>1,700</td>
<td>-2,505</td>
<td>2,006</td>
<td>1,499</td>
</tr>
</tbody>
</table>

Working capital trend YoY (€m)

<table>
<thead>
<tr>
<th>Working Capital</th>
<th>Trade Receivables</th>
<th>Inventories</th>
<th>Net Contract Assets/Liabilities</th>
<th>Net Other Current Assets/Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 18</td>
<td>291</td>
<td>1,091</td>
<td>1,139</td>
<td>1,700</td>
</tr>
<tr>
<td>Q3 18</td>
<td>265</td>
<td>1,158</td>
<td>1,135</td>
<td>1,499</td>
</tr>
<tr>
<td>Q4 18</td>
<td>-542</td>
<td>-2,040</td>
<td>1,925</td>
<td>1,700</td>
</tr>
<tr>
<td>Q1 19</td>
<td>-27</td>
<td>-2,758</td>
<td>2,006</td>
<td>1,499</td>
</tr>
<tr>
<td>Q2 19</td>
<td>211</td>
<td>-2,505</td>
<td>2,006</td>
<td>1,499</td>
</tr>
</tbody>
</table>

Working capital to revenues FY 19 Target <2%

- +3.1%
- +3.0%
- -5.9%
- -0.3%
- +2.2%

Working capital: -€80m YoY and +€753m since Sep. 18, to address strong sales activity levels in FY 19: expected average revenue growth of 15% YoY, with back-end loaded execution planned for WTG ON

Continuous focus on working capital management with impact on trade receivables and payables, leads to a working capital to sales reduction (-0.8 p.p. YoY) in an environment of higher expected annual activity

1) For the purposes of comparison after the application of IFRS 9, which impacted the opening balance in FY 19: the foregoing table shows a €3m decline in "Trade and other accounts receivable" and a €3m decline in "Contract assets", with a corresponding €4.6m impact on Group equity (including the tax effect).
2) Trade payables include non-interest bearing liabilities to related parties (see footnote 3 in slide 17).
Rigorous control over planned and actual spending: “smart” CAPEX policy

- Main investments in tooling, blade molds and product portfolio R&D (Onshore and Offshore)
- CAPEX < 5% of revenue, on target level
- Offshore CAPEX starts to outweigh Onshore investment due to strong growth prospects in the Offshore market
Reduction in net cash position driven by working capital investment in preparation for high activity expected in H2 19

- Reduction in net cash position (€283m) driven by working capital investment (−€226m cash effect), to accommodate peak activity levels.

- Adwen related provision usage: €55m in Q2 19
L3AD2020 cost savings remain on track

**FY 19 highlights**

- Achieved cumulative recurrent productivities of more than €1.0bn
  - **Synergies** above €270m included

- Additionally, achieved one-time productivities of more than €150m, thereof €50m in H1 19

- Acceleration of transformation measures to compensate Onshore performance

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**FY 19 productivity breakdown**

**By category**
- Base Productivity: 74%
- Synergies: 26%

**By function**
- Product Affordability: 59%
- Operations: 28%
- SG&A and Others: 13%

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1) Breakdown of recurrent measures.
Content

1. Q2 19 Highlights
2. Commercial activity
3. Q2 19 Results & KPIs
4. Outlook & conclusion
Strong wind market growth prospects driven by Offshore and emerging Onshore markets

Global wind market - ON and OF (GW installed/year)¹

Global wind market exc. China - ON and OF (GW installed/year)¹

Global wind OF market (GW installed/year)¹

Expected average annual installations in 2019-25: 70 GW, 40% larger than 2018 installations: 51 GW

New Onshore platform, SG 5.8-155 and SG 5.8-170, introduced to the market: best in class AEP, combining proven technology with next generation technology

- Next generation technology well balanced with proven design, leading to reduced risk
- 20% to 32% higher AEP than its predecessor¹
- Designed for most relevant wind conditions
- Production scheduled for 2020

¹) SG 4.5-145.
H1 19 performance in line with FY 19 guidance given project execution timing in WTG ON

**Guidance FY 19**

<table>
<thead>
<tr>
<th></th>
<th>H1 19</th>
<th>FY 19 E¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (in €m)</td>
<td>4,651</td>
<td>10,000 - 11,000</td>
</tr>
<tr>
<td>EBIT margin pre PPA and I&amp;R costs (in %)</td>
<td>6.8%</td>
<td>7.0% - 8.5%</td>
</tr>
</tbody>
</table>

**Comments**

- FY 19 revenue coverage of 96%², 100% of low end of range
- Additional synergies of 1.2% of revenues by end of FY 19 included in margin expectations. Estimated FY 19 impact of:
  - PPA amortization of intangible fair value: €250m (€133m in H1 19)
  - Integration and restructuring costs: €160m (€54m in H1 19) vs. initial expectations of €130m, on the back of an acceleration of the transformation measures
- Strong seasonality expected with a stronger second half driven by project execution timing and cost optimization programs
- Margin guidance range driven by:
  - FY 19 headwinds incl. commodity pricing, emerging market volatility and macro factors
  - Productivity measures and speed on the execution of the transformation program

FY 19 guidance confirmed based on planned back-end loaded project execution

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1) This outlook excludes charges related to legal and regulatory matters and it is given at constant FX rates.
2) Revenue coverage: H1 19 revenue plus order backlog (€) as of March 19 for FY 19 sales activity divided by the FY 19 revenue guidance range of €10bn to €11bn.
Conclusions

Optimizing our product portfolio for a wind market with strong growth prospects

- January 19: introduction of the SG 10.0-193 DD: high energy yield and unmatched reliability
- April 19: introduction of the SG 5.8-155 & SG 5.8-170: double-digit increase in AEP, based on a best-of-best technologic approach from Onshore segment

Sound commercial activity supports growth in FY 19 and beyond

- Record order backlog in H1 19: €23.6bn, up 7% YoY; low end of revenue guidance fully covered\(^1\)
- Stable pricing in WTG ON order intake

H1 19 financial performance in line with guidance given WTG ON project execution timing

- H1 19 revenue: €4,651m, up 6% YoY, with an EBIT margin pre PPA and I&R costs of 6.8%\(^2\)
- Net debt position of €118m driven by working capital investment in preparation for peak WTG activity

First Wind OEM to receive an investment grade rating: BBB-, positive outlook (S&P) and Baa3, stable outlook (Moody’s)

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\(^1\) Revenue coverage: H1 19 revenue plus order backlog (€) as of March 19 for FY 19 sales activity divided by FY 19 revenue guidance range of €10bn to €11bn. Full guidance on page 25.

\(^2\) EBIT pre PPA and I&R costs excludes the impact of PPA on the amortization of intangibles of €133m, and integration and restructuring costs of €54m in H1 19.
Value creation secured by stringent financial management

Grow top line
- Grow in MW and EUR faster than the market
- Book to Bill > 1 every year

Enhance capital efficiency
- ROCE 8-10%
- Dividend policy: 25% of net income

Drive profitability
- EBIT margin excl. PPA, integration and restructuring costs: 8-10%

Strengthen balance sheet & cash management
- CAPEX < 5% of sales and reinvestment rate ~ 1
- Working capital < 2% of sales
- Cash conversion rate (excl. Adwen) > 1 – growth
- Net financial debt / EBITDA < 1.0x

Financial management
The definition and conciliation of the alternative performance measures (APMs) that are included in this presentation are disclosed in the Activity Report document associated to these and previous results. This glossary contains a summary of terms and APMs used in this report but does not replace the aforementioned definitions and conciliations.

**AEP:** annual energy production.

**ASP in Order Intake:** average monetary order intake collected by WTG division per unit booked (measured in MW). It excludes the value and volume of solar orders from the calculation.

**Book & Bill:** amount of orders (in €) to be booked and fulfilled in a set period of time to generate revenues without material lead time ("in for out" orders in set period of time).

**Book-to-Bill ratio:** order intake (in EUR) to activity/sales (in EUR) in the same period. The Book-to-Bill ratio gives an indication of the future trend in sales 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).

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

**EBITDA:** It is calculated as EBIT before amortization, depreciation and impairments of goodwill, intangible assets and property, plant and equipment.
Glossary & Definitions for Additional Performance Measures

**Gross operating cash flow:** amount of cash generated by the company’s ordinary operations, excluding working capital, capital expenditure (CAPEX), payments related to Adwen provisions and others mainly FX conversion impacts. SGRE includes the flow of net financial expenses under gross operating cash flow. Gross operating cash flow is obtained by adding, to reported income for the period, the ordinary non-cash items (depreciation and amortization, and provision charges) and income from equity-accounted affiliates.

**LTM:** last twelve months

**MWe:** an indicator of activity (a physical unit of sale) used to measure wind turbine generator manufacturing activity in terms of work in progress. The MWe indicator does not reflect post-manufacturing processes (civil engineering, installation, commissioning, etc.), which also generate monetary revenue.

**Net Financial Debt (NFD)** is defined as long-term and short-term financial debt less cash and cash equivalents.

**Reinvestment rate:** ratio of CAPEX divided by amortization, depreciation and impairments (excluding PPA amortization on intangibles’ fair value).

**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.
**Q3 19 calendar**

- **May 8th-9th**: CEO and CFO in London
- **May 10th**: CFO in Madrid
- **May 13th**: CFO in Frankfurt
- **May 15th-16th**: CFO in Geneva and Zurich
- **May 17th**: CFO in Paris
- **June 14th**: JP Morgan European Capital Goods CEO Conference
- **June 19th-21st**: CEO and CFO in Boston, Chicago and New York
- **July 30th**: Q3 19 results presentation
Thank you!