

## Press release

29 January 2021

**Results for the first quarter of FY 2021 (October 2020- December 2020)**

## Siemens Gamesa starts fiscal year 2021 with solid financial performance

- **Strong momentum in renewables, underpinned by the transition to green energy systems, boosted the order book to €30.1bn**
- **Revenue amounting to €2,295m and a positive EBIT margin of 5.3% confirm guidance for the year. Strong funding position, with €4.6bn in available liquidity**

Siemens Gamesa registered a solid start to fiscal year 2021, supported particularly by strong performance in Offshore and Service that led to an increase in revenue year-on-year and a positive EBIT margin pre-PPA and before integration and restructuring costs. The company also reported a strong financial position and an order book that evidences the company is well placed to capture the potential of the wind industry.

As announced in a regulatory disclosure to the CNMV, revenue increased by 15% year-on-year (y/y) in the first quarter to €2,295m, driven by strong sales performance by both Offshore and Service, but also affected negatively by currency depreciation. Excluding this impact, revenue would have increased by 21%, to €2,427m. Onshore sales continue to be affected by some delays in project execution as a result of restrictions on the movement of people and goods due to the COVID-19 pandemic, but this impact was lower than in the previous fiscal year, and it is expected to tail off over the coming quarters as the vaccine is rolled out.

In the three months to 31 December 2020, EBIT before PPA amortization and integration and restructuring costs was €121m (versus a loss of -€136m in the year-ago quarter), with an implied margin of 5.3% of revenue, benefiting from the strength of the product portfolio and from productivity gains in the quarter. Profitability also reflects the effect of turnaround actions. Net income attributable to SGRE shareholders amounted to €11m in Q1 FY21.

Reported revenue growth and the positive EBIT margin pre PPA and before I&R support the guidance for fiscal year 2021, announced in November 2020: revenues between €10,200m and €11,200m and an EBIT margin before PPA and I&R costs between 3% and 5%.

The solid balance sheet in the first quarter of FY21 is reflected in the financial position, with €4.4bn in committed funding lines, against which the company had drawn around €1.3bn, and total liquidity in the amount of c. €4.6bn including the cash position. Net debt stood at €476m at the end of December.

“Our performance in the first quarter shows our commitment to prioritizing profitability (over volume), cash flow and sustainability, which are the levers of our strategy to put the company back on track to sustainable profitability. At the same time, our performance shows that Siemens Gamesa occupies a leading position in driving the transition towards non-polluting energies,” said Andreas Nauen, Siemens Gamesa’s Chief Executive Officer.

### **Commercial activity reflects the strong momentum for renewables**

Despite the persisting impact of the pandemic, decarbonization commitments worldwide in which renewable energy plays a key role and its central place in green recovery programs support strong prospects for the wind industry. In this context, Siemens Gamesa’s order book amounted to €30,104m (+7% y/y) at the end of December 2020.

Order intake in the quarter stood at €2,281m, reflecting standard volatile Offshore market dynamics, with no Offshore or related Service orders booked. Order intake is expected to resume in the coming quarters. Siemens Gamesa's leading competitive positioning in the Offshore market is supported by a backlog of 6.1 GW and a pipeline of 9.3 GW. Moreover, the company is working actively with customers that are participating in Offshore auctions amounting to c.25 GW.

The Onshore business unit ended the quarter with €1,619m in new orders, representing a volume of 2,360 MW (-8% y/y), which reflected the lower contribution from China, the weakness of the Indian market, and the company's new commercial strategy to prioritize returns over volume. The SG 5.X platform — a key component of the Onshore turnaround — contributed 1,100 MW in orders in the quarter; 82% of orders received in Q1 FY21 are for platforms with capacity of 4 MW or more.

The Service division booked €505m in new orders in Q1 FY21, although Service order intake also reflects the volatility of the Offshore market, which is a significant source of Service work.

According to the Sustainable Development Scenario (SDS) of the International Energy Agency (IEA), by 2040 there will be a total of 3,000 GW of wind capacity installed worldwide. Annual wind capacity additions will reach 145 GW in 2030 and 160 GW in 2040. In European Union, Offshore wind is expected to be the largest single source of power generation by 2050, accounting for over 25% of electricity supply, followed by Onshore wind and solar photovoltaic. Prospects could be further buoyed by the emergence of green hydrogen technologies, in which SGRE expects wind power to play a key role.

#### **Strong sustainability commitment**

Siemens Gamesa continues to strengthen its commitment to sustainability, and this is recognized by rating agencies and indices, such as its inclusion in the Gender-Equality Index for the second consecutive year, and in the Dow Jones Sustainability indexes. Also, ISS ESG<sup>1</sup> completed the ESG rating process and granted the company a B+ rating.

Siemens Gamesa key figures (€m)	Q1 FY 2021 (Oct. 20-Dec. 20)	Q1 FY 2020 (Oct. 19-Dec. 19)
Revenue:	2,295	2,001
EBIT before PPA and integration and restructuring costs:	121	-136
EBIT margin before PPA and integration and restructuring costs:	5.3%	-6.8%
Reported EBIT:	14	-229
Reported net income to SGRE shareholders:	11	-174

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<sup>1</sup> ISS ESG is a division of the ISS (Institutional Shareholder Services) group that, among other activities, rates the sustainability of listed companies on the basis of their environmental, social and governance performance.

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