

Press release

30 April 2021

Results for the second quarter of FY 2021 (January 2021 - March 2021)

Siemens Gamesa maintains positive start to 2021 with solid financial performance in Q2

- Order book rises to record €33.7bn as drive to decarbonization strengthens momentum in renewables; Siemens Gamesa logs €5.5bn order intake in the quarter
- Solid performance in Offshore and Service helps to increase the revenue by 6% year-on-year to €2.3bn, as the company records a positive EBIT margin¹ of 4.8%
- Full year EBIT margin guidance maintained at 3% to 5%, revenue range narrowed to €10.2bn to €10.5bn, due to project deferrals and execution delays

Siemens Gamesa continued its positive start to fiscal year 2021 as solid performances in both the Offshore and Service business led to a revenue and EBIT growth. The continued momentum behind renewable energy in the push to decarbonize the energy supply to address climate change help the company to achieve a record order book of €33.7bn at the close of the quarter, up 18% year-on-year. The Onshore segment continued to be the major focus of turnaround efforts during the quarter.

“These results are encouraging and we are continuously working to improve our performance but we know we still face challenging conditions with COVID causing disruption in some markets and headwinds from the rising price of raw materials. Nonetheless the longer-term outlook for the industry continues to improve as the growing political support for decarbonization as a central element of the fight against climate change is leading to new targets for renewable energy. We welcome these initiatives and look forward to seeing them translated into decisive action that Siemens Gamesa is well positioned to support,” said Andreas Nauen, Siemens Gamesa’s Chief Executive Officer.

Revenue guidance for fiscal year 2021 was narrowed to the lower end of the existing guidance, €10.2bn to €10.5bn (previously €10.2bn to €11.2bn), as the company expects second-half sales to be impacted by project deferrals driven by customers’ activity planning and by the ongoing impact of COVID-19 in markets such as India and Brazil. Siemens Gamesa maintained its profitability guidance for the full fiscal year of an EBIT margin pre PPA and before Integration and Restructuring (I&R) costs of 3%-5%.

Financial performance

In the three months to March 31, the company reported Q2 revenues of €2,336m, 6% growth year-on-year, despite the negative impact from currencies, without which revenue would have increased by 11%. EBIT pre PPA and before I&R costs was €111m (versus €33m in the same quarter a year ago), with an implied margin of 4.8% of revenue. The company reported net income of -€66m in the quarter.

Revenue in the first half of fiscal 2021 (October 2020 to March 2021) increased by 10% year-on-year to €4,631m. EBIT pre PPA and before I&R costs amounted to €232m, with an EBIT margin of 5%. Net income in the first half of the year amounted to -€54m.

The company maintains a sound financial position, with available liquidity of €4.5bn. Siemens Gamesa ended March 2021 with €771m in net debt.

¹ EBIT pre PPA and before Integration and Restructuring costs

Commercial activity

Wind energy has demonstrated a high degree of resilience during the pandemic, supported by the acceleration of decarbonization commitments and the role of renewable energy in economic recovery programs. While 2020 was a record year in wind installations, auctions for 46 GW are expected in the remainder of 2021, supporting solid long-term prospects for the industry. Siemens Gamesa is capturing this potential, having signed €5.5bn in new orders in the quarter, its largest-ever single-quarter order intake, leading to a record backlog of €33.7bn, up 18% year-on-year. Order intake in the quarter was up year-on-year in the Onshore, Offshore and Service segments.

The standard volatility in the Offshore market resulted in strong commercial activity, with 2.6 GW in new orders in the quarter and the signature of major firm contracts, including the 1,400 MW Sofia project. The company's leadership in the Offshore segment is supported by an 8 GW backlog and 7.4 GW in the conditional pipeline. Siemens Gamesa also continues to work very closely with customers to prepare for the large volume of Offshore auctions (around 25 GW) expected in the remaining 9 months of calendar 2021.

Onshore logged new orders amounting to 2.1 GW in the quarter, an increase of 28% year-on-year, reflecting a recovery from the negative impact of COVID-19 on commercial activity in the same quarter last year. Platforms with capacity of 4 MW or greater accounted for 76% of orders received in Q2. The Siemens Gamesa 5.X platform, which represented 37% of onshore order intake, added 782 MW in new orders in the quarter to reach 2.6 GW since its launch.

Service also registered sound commercial performance, with €1.2bn in new orders in the quarter, affected positively by Offshore order intake. At the end of March, the backlog in Service, where profitability is higher, stood at €16.3bn, up 13% year-on-year, and accounted for 48% of the total backlog.

According to the Wood Mackenzie Global Wind Power Market Outlook Update, the pace of global wind installations will resume growth in 2025 and will maintain that trend during the second half of the decade, with total volume projected to be 556 GW, compared with 436 GW in the first half. A sharp increase in offshore installations is expected from 2024, reaching 20 GW per year by 2025 and nearly 40 GW in 2030.

This strong outlook will be reinforced by the enormous potential of green hydrogen, in which Siemens Gamesa is taking firm steps to play a leading role. According to third-party estimates², green hydrogen represents an opportunity for the wind industry of 100 GW by 2035 and 245GW by 2045 (275 and 620 GW in the high scenario in 2035 and 2045, respectively).

Siemens Gamesa key figures (€m)	Q2 2021 (Jan. - Mar. 21)	Q2 2020 (Jan. - Mar. 20)
Group revenue:	2,336	2,204
EBIT pre PPA and before integration and restructuring costs:	111	33
EBIT margin pre PPA and before integration and restructuring costs:	4.8%	1.5%
Reported EBIT:	-19	-118
Reported net income attributable to SGRE shareholders:	-66	-165

² Estimates for 2035 & 2045 from IHSResearch, excluding China.

Press enquiries:

Úrsula Guerra
+34 677940665
ursula.guerra@siemensgamesa.com

Marta Menéndez Vila
+34 616 346 796
marta.menendez@siemensgamesa.com

For more information: www.siemensgamesa.com
Twitter: www.twitter.com/SiemensGamesa
LinkedIn: www.linkedin.com/company/siemensgamesa/
Facebook: www.facebook.com/SiemensGamesa/
Instagram: www.instagram.com/siemensgamesa/