

Press release

Madrid, February 2, 2023

Results for the first quarter of fiscal year 2023 (October – December 2022)

Siemens Gamesa ends complex quarter while addressing challenges through Mistral program

- Financial performance impacted by the outcome of the evaluation of the installed fleet
- Mistral strategy program on track, with a significant improvement in the Siemens Gamesa 5.X platform
- New orders include improved protection against disruptive conditions

Siemens Gamesa announced the financial results for the first quarter of fiscal year 2023 today. The economic performance during this period was severely impacted by the outcome of the evaluation of the installed fleet, mostly affecting the service business. Against this backdrop, the Mistral strategy program continued to show progress in addressing current challenges and building the path to regaining profitability.

As disclosed in the preliminary results, during the recent evaluation of the installed fleet, the company detected an upward trend in the failure rate of certain components, resulting in higher-than-expected warranty and service maintenance costs. The company is already implementing mitigation actions to reduce the future impact as much as possible.

“The negative development in our service business underscores that we have much work ahead of us to stabilize our business and return to profitability. However, despite the extremely challenging macroeconomic and geopolitical context in which we find ourselves, we have seen progress in other areas, such as with our Siemens Gamesa 5.X platform, thanks to our Mistral program,” said Siemens Gamesa’s CEO Jochen Eickholt.

Between October and December 2022, Siemens Gamesa’s revenue amounted to €2.0 billion (+9.8% year over year) and EBIT pre PPA and before integration and restructuring costs amounted to -€760 million, with an EBIT margin of -37.8%. The company ended the quarter with a net loss of €884 million. As of December 31, 2022, net financial debt totaled €1.9 billion.

During the initial quarter of the fiscal year, Siemens Gamesa signed new orders worth €1.6 billion (-35% year over year), while the order backlog amounted to €33.7 billion at the end of December 2022.

Mistral and long-term value creation

Despite the financial performance in the quarter, the Mistral strategy program is advancing in its goal of stabilizing operations. With regard to the Siemens Gamesa 5.X platform, the company achieved progress in quality, technology development, manufacturing, installation volume and project delivery. The benchmark onshore platform accounted for 74% of the orders in the quarter.

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Within the impact of supply chain conditions, the new orders signed have much greater protection against inflation, volatility in product costs and logistics disruptions than those signed in the past.

In addition, the new organization effective from January 1, 2023, has been completed. Integrating onshore and offshore manufacturing and technology activities will result in cost and quality improvements. Progress has also been made with the restructuring, and a pre-agreement has been reached with employee representatives in Spain. With the new organizational setup, Siemens Gamesa is preparing to reap significant cost synergies through the potential integration into Siemens Energy.

The beginning of fiscal year 2023 saw a further increase in global wind demand prospects for the next ten years, but further governmental action is needed to close the gap between ambitious targets and actual installations. The Inflation Reduction Act (IRA) in the U.S. and the REPowerEU program in the European Union strengthen the good outlook for future growth in demand and the wind industry's potential.

Key figures	Fiscal year 2023 (October–December 2022)
Revenue	€2.0 billion
EBIT pre PPA and integration and restructuring costs	-€760 million
EBIT margin pre PPA and integration and restructuring costs	-37.8%
Reported EBIT	-€878 million
Net income attributable to Siemens Gamesa shareholders	-€884 million

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