

CMD 2023

Grid Technologies

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Member of the Executive Board



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We are the profitable growth engine for the global energy transition

We enable a reliable, sustainable and digital grid

- HVDC and HVAC efficient transmission
- Sustainable switchgear and transformers
- Grid stabilization applications
- Grid automation and digitalization

Being the backbone of the energy transition

- We efficiently connect renewable power to the grid
- We enable a resilient power grid
- We commit to decarbonization
- We support manage an increasingly complex grid

Key facts & figures for FY23

Market Position¹



Revenue

Products
56%



Solutions
37%

Service
7%

Profit margin before SI

7.5%

Order Backlog

€23bn

¹ Market position related to addressed market according to SE internal assessment for FY22, based on orders in €

Grid Technologies beat revenue growth guidance and will increase mid-term profit margin target

What we have achieved...

Grid market with strong long-term growth rate of 10% coming from projected CAGR of 5%¹

We are ahead of schedule – doubling order intake, double-digit revenue growth and already approaching promised profit margin guidance of 8 – 10% advised for FY25

We are raising the targets – double-digit revenue growth and profit margin of 9 – 11% by FY26

Key financials FY23



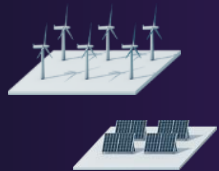
¹ CAGR (FY22 – FY30), projection as of CMD 2022 | ² Comparable growth rate, excl currency translation and portfolio effects
Note: Prior year figures are presented on a comparable basis

Market projection doubling to 10% CAGR¹ driven by renewables additions and doubling electricity demand

Grid



Generation



6x

more installed capacity from grid connected RES (2050 vs. 2022)

~€600bn p.a.

grid investment by 2030 to reach national climate goals (today ~€315bn p.a.)

Consumption



2x

more electricity demand (2050 vs. 2022)

2.5x

more capacity in the grid needed to connect planned RES² additions and secure stability of power systems

¹ CAGR (FY22 – FY30) | ² RES: Renewable Energy Sources

Source: IEA World Energy Outlook 2023, IEA Electricity Grids and Secure Energy Transitions 2023, IEA World Energy Investment 2023 (APS scenario, average FX for 2022); DNV Energy Transition Outlook 2023

Global policy packages rolled out – supporting double digit market growth

	Global	EMEA	Americas	APAC
GT Revenue FY23	€7.2bn	54%	31%	15%
Addressable Market (in €bn, CAGR)	<p>81 (FY22), 104 (FY23), 175 (FY30)</p>	<ul style="list-style-type: none"> Accelerated investments in HVDC, offshore grid connection and grid stabilization Supporting policies as EU Green Deal/Fit for 55, Net Zero Industry Act and REPower EU 	<ul style="list-style-type: none"> Renewables integration, ageing infrastructure and grid stabilization drive investment Inflation Reduction Act substantiating market growth 	<ul style="list-style-type: none"> HVDC and offshore build-out in relevant countries China committed to be carbon neutral by 2060 and India by 2070

Note: Market based on SE internal analysis

Source: DNV Energy Transition Outlook 2023, IEA Electricity Grids and Secure Energy Transitions 2023

Actively managing our portfolio

Significant portfolio measures implemented to prepare Grid Technologies for profitable growth



Exit

Divestment of dilutive business



Joint venture for distribution transformers



Invest

Substation automation acquisition



DC switching station joint development



Partner

Grid Management software partnership



Green steel partnership



Grid Technologies' leading portfolio

Our portfolio is designed to master the energy transition

Energy transition challenges

- **Connect** renewable energy sources
- Improve **grid resilience**
- Drive **decarbonization**
- Manage **grid complexity**

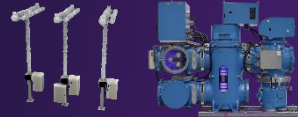
Grid Products

56%
of rev.¹

Transformers

Switchgear

Converter towers



Market position: #2 in Grid Products

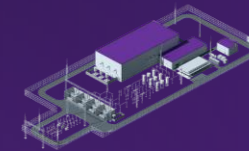
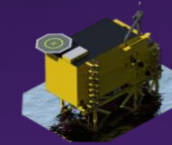
Grid Solutions

37%
of rev.¹

Offshore

Onshore

Grid Stabilization



FACTS² & battery energy storage

Market position: #1 in Grid Solutions

Grid Services & Digitalization

7%
of rev.¹

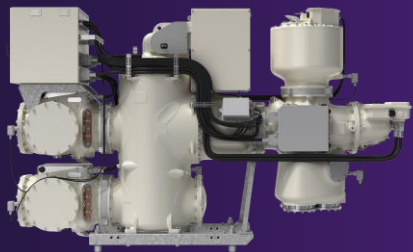
¹ FY23 revenue share | ² FACTS: Flexible alternating current transmission systems

Note: Market position related to addressed market according to SE internal assessment for FY22, based on orders in €

Decarbonized high voltage switchgear

Disruptive F-gas free switchgear launched – €7bn market ready for take off

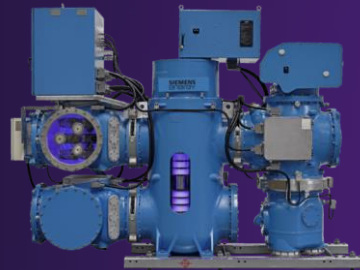
“Standard” with harmful insulation gas



Standard gas-insulated switchgear filled with F-gas, specifically SF₆

24,300
more harmful¹
than CO₂

Innovate the “Standard”
Replace harmful gas with clean air



Fulfilling our commitment to decarbonize with clean air switchgear technology

Zero
harm¹

Finally, innovation becomes “Standard” ...



F-gas ban for high voltage switchgear in Europe starting in 2028



SF₆ ban in California implemented & more states to follow (e.g., New York)

Innovation pays off...

€7bn

Addressable market by 2030

>55,000,000 t

CO₂e² avoided through clean air units ordered until 2030

¹ Global warming potential of insulation gas | ² Cumulative figure until 2030

Source: European F-gas Regulation (2023); California Air Resources Board (2023); New York State Department of Environmental Conservation (2023)

HVDC market will increase 6-fold¹

Proven track record and long-term learning curve in HVDC to turn €38bn market² into profitable growth



Established products and software
accounting for ~50% in solution offering

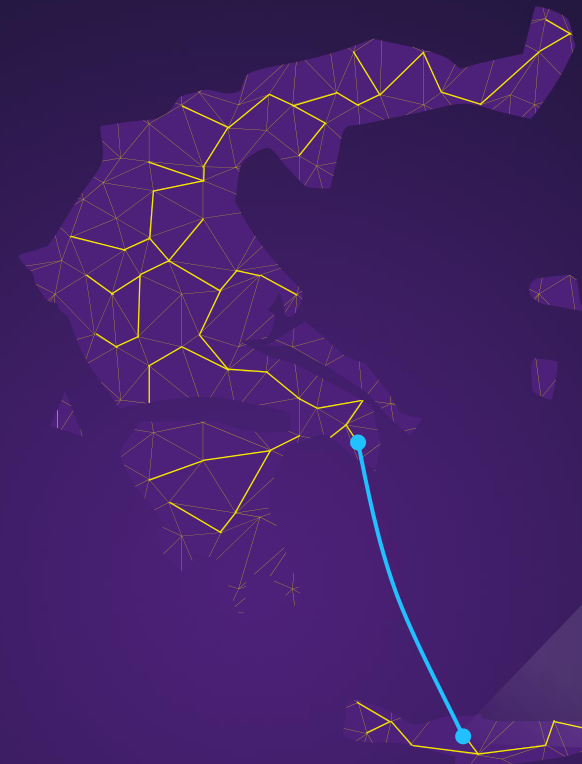


Extensive experience
>70 onshore and offshore projects³ successfully delivered in 25 countries



Terms and conditions
Improved risk sharing between all related parties

Example: Crete-Attica-Interconnection



500,000 t CO₂e
savings in first year
of operations

1,000 MW
equals ~1,000,000
households



¹ FY22 – FY30 with CAGR of 25% | ² Market in 2030 based on SE internal analysis | ³ HVDC and offshore grid connection projects

Note: Market based on SE internal assessment

Our standardized solutions enable us to reliably connect >200 GW offshore wind projects by 2030



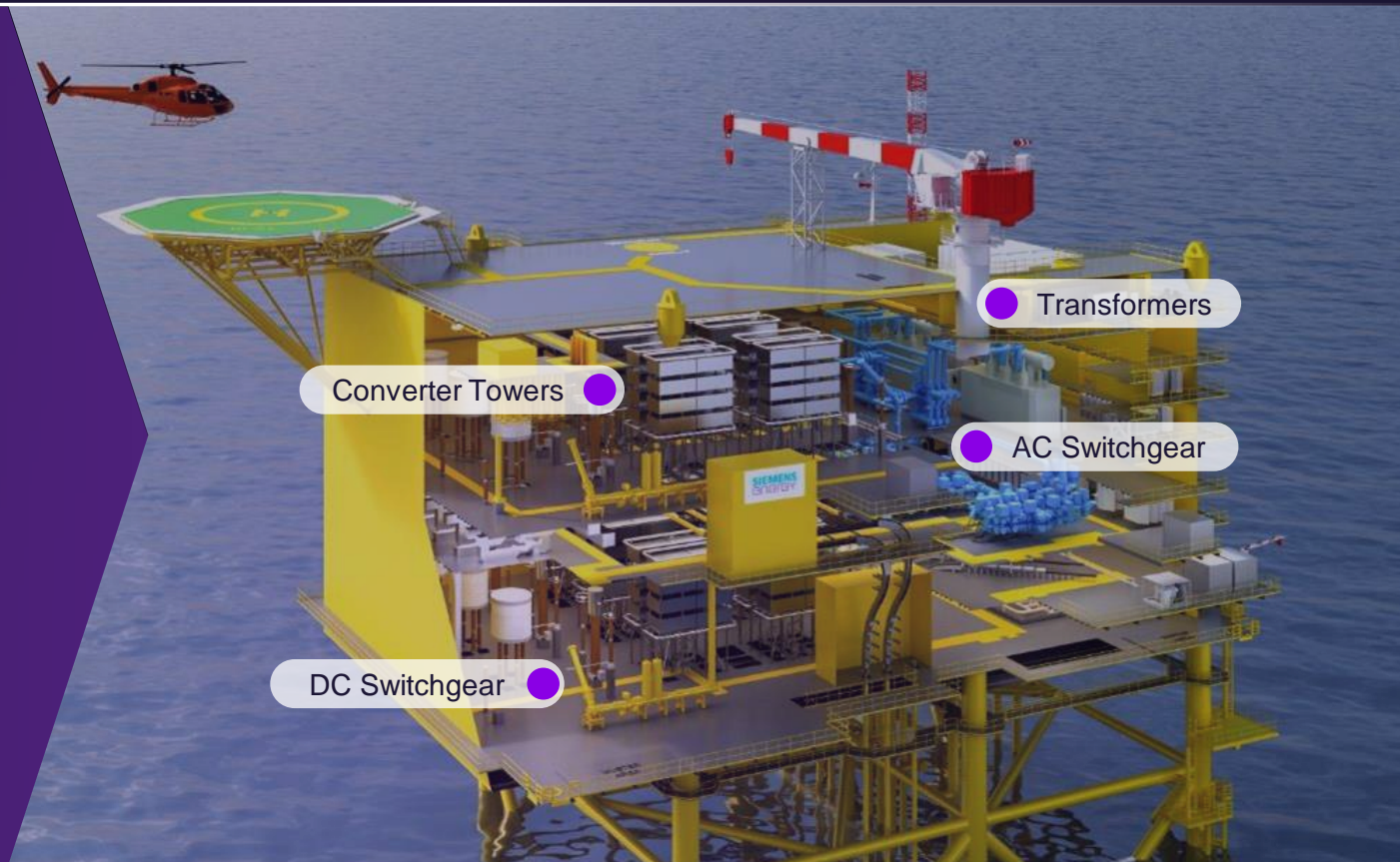
Industrialization

Scale up capacity and reduce execution timeline through standardized solution and convoy approach



Strategic partnering

Construction and installation of platform with strategic yard partners



4-fold growth in grid stabilization market¹

Innovative grid stabilization software to strongly participate in rapidly growing market



Long-term experience

>600 grid stabilization (FACTS) projects delivered in >60 countries



Innovation

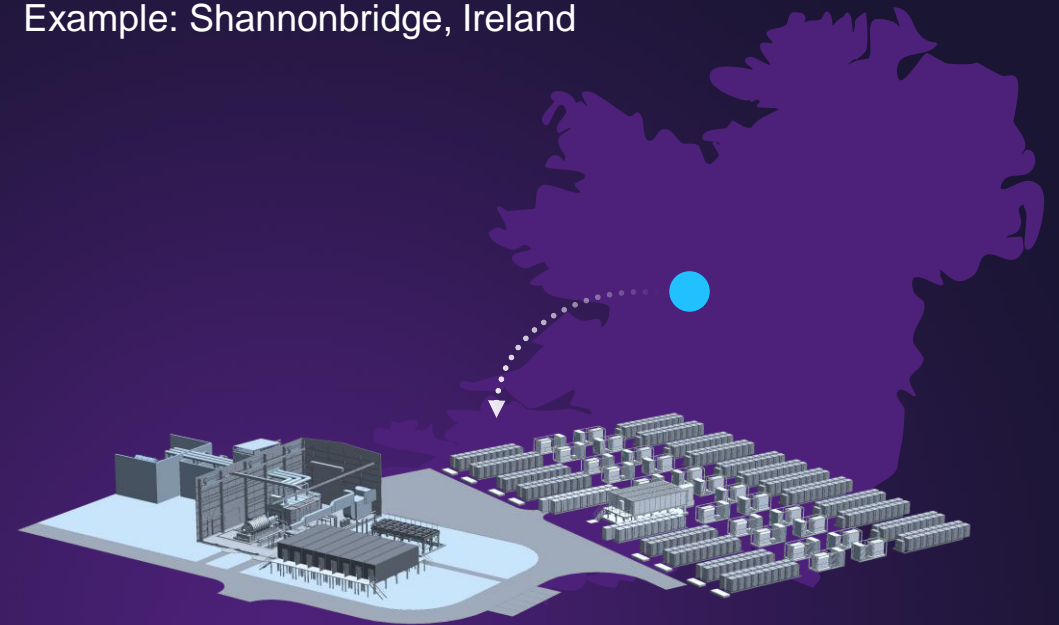
Integrating established grid stabilization solutions (i.e., FACTS and battery energy storage) by an overarching software layer



Our competitive advantage

Solving the grid stabilization challenge for our customers – Unique capabilities to harmonize different grid stabilization technologies

Example: Shannonbridge, Ireland



FACTS
(Syncon²)

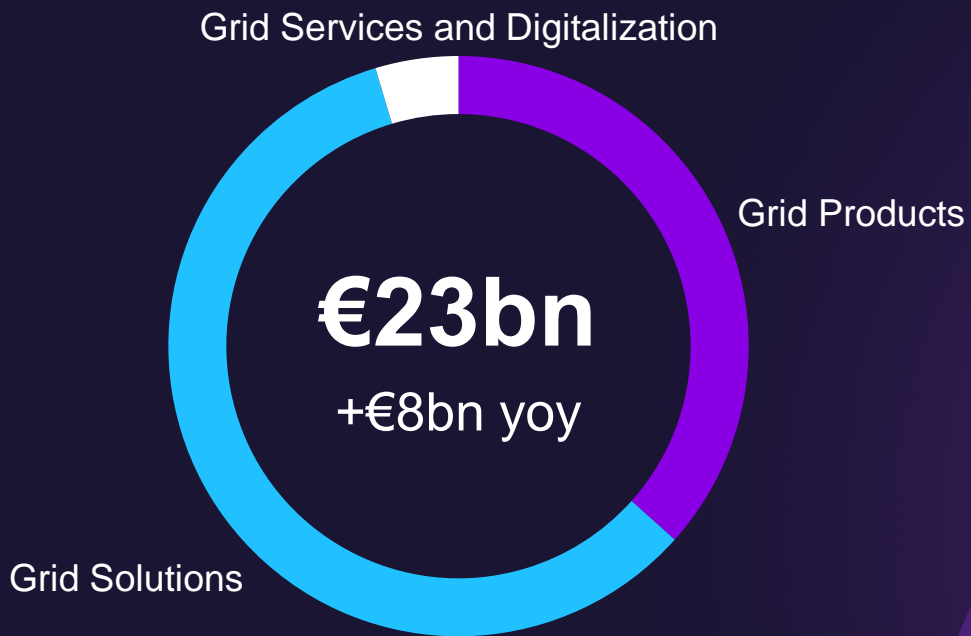


Battery Storage

¹ FY20 – FY23 | 2 Syncon: Synchronous condenser

Ambitious growth projection secured with profitable order backlog and proven operational approach

Order Backlog



01 Selective investments into existing assets and **expanding manufacturing footprint** in the US and India



02 Scaling by **industrialization** and **continuous operational improvements**



03 **Ramping up headcount** and utilizing **partners**, especially in India, Europe and US



Grid Technologies is the profitable growth engine for the global energy transition

The growth engine started: Ahead of schedule in financial performance – targets raised for FY26

Attractive market with
10% CAGR¹



Focusing through active portfolio management **on attractive markets**



Scaling by standardization and modularization



Maximizing capacity of existing assets and **selective investment**



Consequent **operational improvements** and **project excellence**

by FY26

Low double digit

Revenue growth²

9 – 11%

Profit margin

2% avg

R&D³

~€600m

Capex⁴

¹ FY22 – FY30 | ² CAGR (FY23 – FY26), excluding currency translation and portfolio effects |
³ Research and development expenses p.a. in % of revenue | ⁴ Cumulative capital expenditure FY24 – FY26