

# After rescue deal, Siemens Energy unveils massive loss

November 15 2023



Gamesa has faced long-running technical problems with its onshore wind turbines, which have cost huge sums to fix.

Siemens Energy reported a 4.59-billion-euro (\$5-billion) annual loss Wednesday, dragged down by a crisis in its wind power unit, a day after

a government-backed rescue package was unveiled for the German group.

The company's huge loss in the 2022-2023 financial year was far larger than a loss of several hundred million euros the year before.

While large parts of its wide range of businesses, such as those related to gas and power grids, were healthy, the results were hit by the crisis in its Gamesa wind power subsidiary.

Gamesa has faced long-running technical problems with its onshore wind turbines, which have cost huge sums to fix.

"The wind business remains a major challenge and has led to the net loss in 2023," said the company.

Gamesa is only expected to break even in financial year 2026, and it will impact the group's performance in the "near to mid-term," it said. Still, Siemens Energy expects to return to a net profit of 1 billion euros next year. Revenue in its past financial year rose 7 percent to 31 billion euros, and it said it expects to post similar growth the following year. Siemens Energy runs its financial year from October to September, and the annual results [were announced](#) a day after a 15-billion-euro, state-backed rescue deal was unveiled after weeks of talks.

The deal involves providing "guarantees" to Siemens Energy to allow it continue financing major long-term projects.

The economy ministry announced it would grant the company 7.5 billion euros worth of guarantees, and others involved included private banks as well as the larger Siemens conglomerate, which is a major shareholder in Siemens Energy.

Siemens Energy was spun out of Siemens in 2020. In 2022, Siemens Energy spent 4 billion euros to take full control of Gamesa, which was already having difficulties. Siemens Energy shares jumped 8.8 percent Wednesday on the Frankfurt Stock Exchange but they remain down 35 percent for the year.

© 2023 AFP

Citation: After rescue deal, Siemens Energy unveils massive loss (2023, November 15) retrieved 27 April 2024 from

<https://techxplore.com/news/2023-11-siemens-energy-unveils-massive-loss.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.