

ENR: Siemens Energy AG

AI Grid Supercycle · Massive Margin Inflection · Net Cash Fortress

NTM P/E	Exp. Avg. EPS Growth	Net Debt/EBITDA	LTM ROIC
~32x	~93%	Net Cash	~18%
Next Twelve Months	Explosive forward growth	Below -1.9x	Trailing 12 Months

GROWTH PLAY: FROM TURNAROUND TO SECULAR WINNER

In growth investing, the biggest multi-baggers rarely come from clean, perfect companies. They come from vital infrastructure giants that execute a structural operational pivot just as their industry hits a multi-decade supercycle. That is the exact story playing out for Siemens Energy AG (ENR). Once weighed down by legacy wind division challenges, the company has officially entered hyper-growth territory. Our multi-factor models flag ENR as an ultra-high-conviction growth play, assigning it an **elite Growth Rank of 98/100**, while its massive structural premium compresses the Value Rank to 4/100.

Value Score	Growth Score	Balance Sheet	Key Driver
4/100	98/100	Net Cash	AI & Grid
Bottom decile	TOP GROWTH	More cash than debt	Structural demand

1 - Explosive Earnings & Cash Flow Acceleration

The scale of the operational and financial inflection at Siemens Energy is extraordinary, screening out almost all large-cap peers in the industrial sector.

- **Bottom-Line Velocity:** Full-year normalised net income projected to skyrocket by over **+160% YoY**, expanding net margins from ~3.6% to around **8.5%** over the current fiscal period.
- **Massive Cash Conversion:** Free Cash Flow projected to expand by over **+70% YoY**, with FCF margins expanding toward **~16%** — confirming that earnings growth is translating fully into hard cash.
- **Operating Margin Inflection:** Core EBIT margins on track to nearly double, scaling from ~6.0% to above **11%** for the full year, driven by operating income expansion exceeding **+110% YoY**.
- **Earnings Power:** Supported by a projected forward annualised EBITDA growth rate of roughly **49%**, normalised EPS expected to deliver a massive multi-year acceleration at an annualised rate of approximately **93%** over the next two years.

2 - Riding the AI Data Center & Grid Supercycle

Siemens Energy sits squarely at the intersection of the most powerful structural demand themes of the next decade, moving past legacy headwinds to capture secular macro tailwinds.

- **Grid Technologies Supercycle:** Unprecedented structural demand from US and European infrastructure spending to handle exponential AI data centre power loads feeding directly into the order book — a multi-year infrastructure mandate, not a cyclical order wave.
- **Gas Services Dominance:** Next-generation gas turbine technologies acting as the indispensable baseload bridge between legacy power and renewable grids, keeping order intake at record levels due to global grid stability requirements.

■ **Wind Stabilisation:** The major structural headwinds from the legacy wind division are being systematically resolved, completely unlocking the group's true underlying corporate earnings power.

3 · Elite Capital Efficiency & Fortress Balance Sheet

ENR combines hyper-growth with best-in-class capital returns and an absolute net cash position — a rare combination in capital-intensive industrial sectors.

■ **Expanding Capital Returns:** LTM ROIC at an impressive ~**17.8%**, with LTM ROE at a stellar **23.3%** — both expanding sharply as the margin recovery feeds through the capital base.

■ **Balance Sheet Fortress:** LTM Net Debt/EBITDA deep in negative territory at **-1.94x** — Siemens Energy holds significantly more cash than debt, eliminating leverage risk and fully funding organic capacity expansion internally.

The Bottom Line

Siemens Energy is no longer a legacy industrial turnaround story; it is a high-velocity compounding growth engine at the absolute core of the global energy transition and artificial intelligence infrastructure supercycle. While trading at a premium forward multiple of approximately 32x NTM P/E, the projected multi-year earnings acceleration means the valuation multiple is compressing faster than the share price can rise. Backed by an elite **Growth Rank of 98/100**, ENR represents a fundamental anchor for modern institutional growth portfolios.

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