

Strong top line momentum and solid execution – outstanding Free cash flow

- **Orders climbed to €22.0 billion (Q3 2021: €20.5 billion), with substantial growth at Digital Industries and Smart Infrastructure**
- **Since start of fiscal year, orders grew 20 percent on a comparable basis to €67.2 billion (Q1-Q3 2021: €52.3 billion)**
- **In Q3, revenue increased by 4 percent on a comparable basis to €17.9 billion (Q3 2021: €16.1 billion)**
- **Profit Industrial Business surged 27 percent to €2.9 billion (Q3 2021: €2.3 billion)**
- **Net loss of €1.5 billion (Q3 2021: net income of €1.5 billion) impacted by €2.7 billion impairment of stake in Siemens Energy**
- **Outstanding Free cash flow at Group level of €2.3 billion**
- **Outlook adjusted only due to impairment of Siemens Energy stake**

Siemens made significant progress as a focused technology company in the third quarter (ended June 30, 2022). The company leveraged growth opportunities in many key markets despite a continuing complex macroeconomic environment influenced by economic sanctions on Russia, high inflation and effects associated with the coronavirus pandemic. In addition, Siemens continued to avoid larger disruptions due to supply chain risks associated with electronics components, raw materials and logistics.

Siemens continues to expect profitable growth of its Industrial Business to drive basic earnings per share from net income before purchase price allocation accounting (EPS pre PPA). Following the €2.7 billion non-cash impairment of the company's stake in Siemens Energy AG in the third quarter of the fiscal year, the guidance is adjusted to include the corresponding earnings impact of €3.37 per share, resulting in a range for

EPS pre PPA of €5.33 to €5.73. This range represents Siemens' original guidance for EPS pre PPA of €8.70 to €9.10, excluding this impairment.

“We captured significant opportunities in a market environment with ongoing high demand. Our strong top line momentum continued, with a comparable order growth of 20 percent since the beginning of fiscal 2022. This shows: Our business is attractive and grew once again. We have the right offerings and the right strategy to be successful even in uncertain times,” said Roland Busch, President and Chief Executive Officer of Siemens AG. “We made significant progress as a focused technology company in the third quarter with the launch of our open digital business platform, Siemens Xcelerator, accelerating the digital transformation of our customers. We also acquired Brightly Software, an outstanding software-as-a-service player in the building space, which perfectly complements our leading position in smart buildings.”

“Our continued top line momentum translated into a record, high-quality and high-quantity order backlog of €99 billion. We again achieved outstanding Free cash flow of €2.3 billion, which further underscored our financial strength. In addition, we consistently and successfully implemented our portfolio optimization and sharply accelerated our share buyback program,” said Ralf P. Thomas, Chief Financial Officer of Siemens AG.

Solid execution – outstanding Free cash flow

In Q3, Siemens increased revenue 4 percent on a comparable basis – that is, excluding currency translation and portfolio effects – to €17.9 billion (Q3 2021: €16.1 billion). Orders grew 1 percent on a comparable basis to €22.0 billion (Q3 2021: €20.5 billion) and 20 percent on a comparable basis since the start of the fiscal year to €67.2 billion (Q1-Q3 2021: €52.3 billion). At 1.23, the book-to-bill ratio was again at a high level. The order backlog totaled €99 billion – a new record and of a high quality.

Profit Industrial Business climbed 27 percent to €2.9 billion (Q3 2021: €2.3 billion), including a gain of €739 million from the sale of Yunex Traffic. The profit margin at the Industrial Business improved to 17.0 percent (Q3 2021: 14.9 percent). The net loss totaled €1.5 billion (net income in Q3 2021: a positive €1.5 billion). This decline

was due to a €2.7 billion nontax-deductible impairment of the stake in Siemens Energy and Russia-related impacts totaling €0.6 billion. Corresponding basic earnings per share before the effects of purchase price allocation accounting were a negative €1.85 (Q3 2021: a positive €1.89). Excluding the burden relating to the impairment of the stake in Siemens Energy, they totaled a positive €1.52.

At €2.3 billion, Free cash flow all-in from continuing and discontinued operations for the Siemens Group again reached an excellent level (Q3 2021: €2.3 billion), with the Industrial Business posting strong Free cash flow of €2.5 billion (Q3 2021: €2.4 billion). As a result, the strength of Siemens' internal financing was also demonstrated once again in Q3.

Strong growth at Digital Industries and Smart Infrastructure

At Digital Industries, orders increased by a total of 32 percent on a comparable basis across all businesses and regions to €6.5 billion due to ongoing growth momentum in key market segments. Revenue also rose by a total of 12 percent on a comparable basis in all business areas and regions to €4.9 billion, with the strongest growth contributions coming from the motion control and factory automation businesses. At €901 million, profit was 6 percent above the figure for the prior-year quarter, while the profit margin was 18.3 percent. Profitability was held back primarily by shortages for high-margin electronics products and by lower revenue in the product lifecycle management business and higher expenses related to cloud-based activities, including the impact of the transition of parts of the business to software-as-a-service.

At Smart Infrastructure, orders increased 26 percent on a comparable basis to €5.5 billion. Growth was generated across all businesses and in all three reporting regions, with a particularly strong contribution from the U.S., driven primarily by continuing strong demand for data centers. Revenue increased 10 percent on a comparable basis to €4.4 billion across all businesses, with the largest contribution from the electrical products business. On a geographic basis, growth was driven by the Americas and Europe, while revenue in China declined on a comparable basis due to COVID-19-related lockdowns. Profit surged 31 percent to €562 million (Q3 2021: €428 million). All businesses contributed to this strong performance, which was mainly due to higher revenue and greater capacity utilization as well as

cost reductions achieved through the execution of the previously announced competitiveness program. The profit margin increased to 12.9 percent (Q3 2021: 11.4 percent).

Mobility won orders of €2.8 billion (Q3 2021: €5.1 billion), whereby order intake in the prior-year quarter had been extraordinarily high due to a major order of €2.8 billion in the Americas. In Q3 2022, revenue rose 4 percent on a comparable basis to €2.5 billion (Q3 2021: €2.3 billion), while profit of €704 million benefited primarily from a €739 million gain from the sale of Yunex. The profit margin climbed to 28.7 percent.

Outlook adjusted

For the Siemens Group, growth in comparable revenue of 6 percent to 8 percent, net of currency translation and portfolio effects, and a book-to-bill ratio above 1 are still expected.

Siemens continues to expect profitable growth of its Industrial Business to drive basic EPS from net income before purchase price allocation accounting (EPS pre PPA). Following the €2.7 billion non-cash impairment of the company's stake in Siemens Energy AG in the third quarter of the fiscal year, the guidance is adjusted to include the corresponding earnings impact of €3.37 per share, resulting in a range for EPS pre PPA of €5.33 to €5.73. This range represents Siemens' original guidance for EPS pre PPA of €8.70 to €9.10, excluding this impairment.

Digital Industries continues to expect to achieve comparable revenue growth of 9 percent to 12 percent for fiscal 2022 and a profit margin of 19 percent to 21 percent.

Smart Infrastructure continues to expect comparable revenue growth of 6 percent to 9 percent for fiscal 2022 and a profit margin of 12 percent to 13 percent.

Mobility continues to expect revenue for fiscal 2022 on the prior-year level. The profit margin is now expected to be 7.5 percent to 8.5 percent (previously 10 percent to 10.5 percent).

This outlook excludes burdens from legal and regulatory matters.

This press release is available at <https://sie.ag/3Qdhu9V>

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