SIEMENS

Orders Revenue Free Cash Flow

€23bn
-8%¹

15.6%

Profit margin Earnings per share Ind. Businesses pre PPA²

Shareholder Letter Q1 FY 2023

Siemens Investor Relations

Digital Industries



Revenue +15%¹ | Profit margin: 22.5%

Smart Infrastructure



Revenue +15%¹ | Profit margin: 15.3%

Mobility



Revenue +7%1 | Profit margin: 8.0%

Siemens Healthineers³



Revenue -4%1 | Profit margin: 12.5%

- 1 On a comparable basis, adjusted for currency translation and portfolio effects
- 2 Purchase price allocation
- 3 Publicly listed subsidiary of Siemens; Siemens' share in Siemens Healthineers: 75 percent

Ladies and Gentlemen,

With an increase in revenue of 8 percent and a new first-quarter record for Profit Industrial Business, Siemens is off to an excellent start in fiscal 2023. Substantial profit increases at Smart Infrastructure and Digital Industries were the drivers of this strong development. At €23 billion, order intake clearly exceeded revenue and the order backlog was at a record level at the end of the guarter.

Despite a still complex macroeconomic environment, we have every reason to be positive about the future: our portfolio is highly relevant, demand in our key end markets is robust, and our excellent order backlog gives us very good visibility for the coming quarters. We have raised our guidance for the current fiscal year for Digital Industries and Smart Infrastructure and for the Group as a whole. Full details on the first quarter and our outlook are available in our Earnings Release.

With this issue of the shareholder letter, we would also like to inform you about yesterday's 2023 Annual Shareholders' Meeting. Shareholders at the meeting approved the Managing and Supervisory Boards' proposal and voted to increase the dividend to €4.25. The shareholders also elected three new Supervisory Board members, who we are pleased to introduce to you on page 3.

Siemens has been a pioneer in the field of sustainability for many years. In our 2022 Sustainability Report, which we published in December, you will learn, among other things, about the volume of customer emissions that can be avoided by our technologies – an impact, which we at Siemens are very proud of.

Thank you for your trust and your interest in our company.

With best regards,



Eva Scherer, Head of Investor Relations, Siemens AG



Roland Busch, President and CEO

We achieved our all-time strongest start to a new fiscal year, with €2.7 billion in profit in our Industrial Business. The impressive growth momentum of our business in the first quarter once again highlights the great trust that our customers place in the relevance of our portfolio and our ability to perform. Our outstanding order backlog in terms of quality and quantity, together with the strong execution capabilities throughout Team Siemens, provide confidence for raising our outlook for fiscal 2023.

In the first quarter of fiscal 2023, we were able to seamlessly continue our strong operational performance from fiscal 2022. Digital Industries and Smart Infrastructure, in particular, achieved excellent results for both top and bottom line. With full order books and a temporary and deliberate build-up of critical inventories, we are well prepared for further profitable growth in the upcoming quarters. Accordingly, we raise our revenue and earnings targets for fiscal 2023.



Ralf P. Thomas, CFO

Strong focus on shareholder return





Current €3bn share buyback (2021-2026e)

Shares bought back for ~€2bn²

- 1 Does not include dividend payout approved for FY22
- 2 As of February 3, 2023



Siemens Annual Shareholders' Meeting 2023

At the Annual Shareholders' Meeting held yesterday, the shareholders decided by a large majority to approve the Managing and Supervisory Boards' proposal that a dividend of €4.25 per share entitled to a dividend will be distributed for fiscal 2022. As a result, the dividend has been raised by €0.25 compared to the prior year, and Siemens has continued to pursue its progressive dividend policy in an impressive manner. Details on all voting results can be found here.



Ensuring active shareholder participation at the Annual Shareholders' Meeting is extremely important to Siemens. The format of yesterday's virtual Annual Shareholders' Meeting was set up to come very close to that of in-person Annual Shareholders' Meetings: shareholders had full rights to make statements, ask questions and submit proposals. They had the opportunity to join the meeting live per video to speak during the general debate.

With numerous contributions and questions from both in and outside Germany, our shareholders engaged in a lively dialogue with management, indicating a high level of acceptance for the new format.

In addition to the re-election of four Supervisory Board members, three new members were elected to the Supervisory Board at the Annual Shareholders' Meeting:



Regina E. Dugan (PhD)
President & CEO
Wellcome Leap Inc.



Keryn Lee James
Chair of the Board of Directors
OPUS Talent Solutions



Martina Merz CEO thyssenkrupp AG



Jim Hagemann Snabe, Chairman of the Supervisory Board

By bringing Regina E. Dugan, Keryn Lee James and Martina Merz on board, we have gained three outstanding personalities for Siemens. Their election highlights how important technology and sustainability are for the Supervisory Board's future. Their election also means that the composition of this body is now more diverse than ever.

Women now account for half of the ten shareholder representatives on the Supervisory Board. Further information on all members of the Supervisory Board can be found here.

Did you know ...

... that the products and solutions Siemens sold to customers in fiscal 2022 will, over the course of their lifetime, avoid around 150 million tons of greenhouse gas emissions? This is an amount 13 times higher than the around 12 million tons of greenhouse gas emissions generated during the manufacturing process – from raw materials extraction to the factory gate (Scope 1, Scope 2 and Scope 3 upstream)?

Learn more about our impact to sustainability in our latest publications:

- ⇒ Siemens Sustainability Report 2022
- ⇒ Siemens Sustainability Equity Story



Financial Calendar



May 17, 2023 2nd quarter FY23

Aug 10, 2023 3rd guarter FY23

Nov 16, 2023 4th quarter FY23

For further information, please click <u>here</u>

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Notes and Forward-Looking Statements

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. We may also make forward-looking statements in other reports, in prospectuses, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens' management, of which many are beyond Siemens' control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Report on expected developments and associated material opportunities and risks in the Combined Management Report of the Half-year Financial Report (provided that it is already available for the current reporting year), which should be read in conjunction with the Combined Management Report. Should one or more of these risks or uncertainties materialize, should decisions, assessments or requirements of regulatory authorities deviate from our expectations, should events of force majeure, such as pandemics, unrest or acts of war, occur or should underlying expectations including future events occur at a later date or not at all or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens' net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.