

SPEECH

ONE TECH – STRATEGY & RESULTS 2025

**“SIEMENS ENTERS NEXT STAGE OF
GROWTH WITH ITS ONE TECH COMPANY
PROGRAM”**

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Check against delivery.

Welcome everyone. We are here to talk about growth. Sustainable, profitable growth. And – this is important – accelerated growth.

Just look at what we have done in the last 5 years since we have become a focused technology company.

This was our growth trajectory for the period starting Fiscal Year 2021 until Fiscal Year 2025:

- Average revenue growth 8% per year in this period - up from 2% in the previous decade
- Average profit margin in our industrial businesses: 15% - up from 10% in the previous decade
- Average free cash flow margin: 13% - up from 7%
- Total Shareholder Return of +151%: we outperformed the DAX and other indices.

Higher growth, higher margins, higher cash flow - this successful performance continues.

Let's take a look at our more recent past: Fiscal Year 2025. It was another record year for Siemens:

- Our orders reached 88 billion Euros – 6% above last year's level.
- Revenue grew by 5%, a total of 78.9 billion Euros.
- A healthy book-to-bill ratio of 1.1 and a high-quality backlog of 117 billion Euros: we move with confidence into fiscal year 2026.
- Our Industrial Business showed a strong performance: a record profit of 11.8 billion Euros.
- Our free cash flow - at a new historic high: 10.8 billion Euros
- This means we turned 14% of sales straight into cash.
- With 10.4 billion Euros a record in net income for the third consecutive year
- Finally, we achieved Earnings per share pre PPA of 10.71 Euros. We adjusted this for effects from Innometrics, Altair, and Dotmatics.

We achieved this in spite of the substantial uncertainty all around us:

- geopolitical conflicts
- new tariffs and protectionism
- slow consumer spending.

We created substantial value - for all our stakeholders.

Let's take a look at the performance of our industrial businesses.

- Digital Industries: We met the guidance, as we did with all our businesses. Revenue declined by 4%. We had predicted this because of the difficult market environment for our automation business and against a very strong base of comparison for our SW business. The profit margin: 15.9%. This excludes effects related to Altair and Dotmatics, which were not part of the guidance.
- Smart Infrastructure: 9% revenue growth; they delivered at the upper end of the guided range. Profit margin was even more impressive: 18.3%. That's an all-time record and above guidance. Congratulations to the entire team!
- Mobility: strong revenue growth, again 10%. That's the upper end of the guided range. Excellent execution: there is a huge backlog of orders. The team is just producing and delivering. At the same time, they successfully balanced out risks and opportunities. The result: industry-leading profitability and free cash flow.

Siemens today is stronger than ever. Our strategy works. We grow by combining the real and the digital worlds. And our ambition keeps growing, too. With our ONE Tech Company program, we are making changes to the fabric of our company to unlock even higher growth in the future.

When we talk about our fabric, there are 2 important aspects:

- The portfolio.
- And our operating model:
 - how we support and strengthen our businesses
 - with world class technologies and services
 - with higher efficiency
 - and a huge set of high-quality industrial data
 - so that our businesses can innovate faster and serve our customers even better

Let's take these 2 aspects one by one.

Our portfolio: In the last 5 years we have put particular focus on streamlining it. Preparing ourselves for our transformation both through:

- Divestments and
- High growth acquisitions

In 2020 we spun off Siemens Energy. In the following years, we divested our so-called “portfolio companies” – companies for which Siemens was no longer the best owner. Six years ago, their total valuation was estimated only €1.5 billion. In the end, our proceeds from these divestments totaled €7 billion.

Focus on where we can create the most value, also through disciplined acquisitions. Of course, always along our strategy: to combine the real and the digital worlds.

We acquired intelligent hardware companies, for example:

- Industrial Drive Technologies from ebm-papst
- Trayer Switchgear
- Danfoss Fire Safety
- C&S Electric in India for electrical and electronic equipment

And we strengthened our digital business, with three SaaS acquisitions, all cloud-native:

- Sqills: a provider for inventory management, reservation, and ticketing software for rail customers
- Supplyframe: a platform that connects design and sourcing for electronics parts.
- Brightly: a provider for asset and maintenance solutions for buildings

In 2025 we closed the acquisitions of Altair and Dotmatics.

- With the addition of Altair, Siemens now has the world's most complete portfolio for AI-powered design, engineering and simulation. Our customers can build the most comprehensive, physics-based digital twins.

- With Dotmatics, we are adding more than €5bn to our addressed markets. Our customers can now build a digital thread, all the way from R&D to production. This will help them bring new medicines and biochemicals to market more quickly and at lower cost.

Now we make another important step toward a highly synergistic Siemens portfolio: we plan to deconsolidate Siemens Healthineers.

This will unlock long-term value for all shareholders; because it will allow both companies to tap fully into their growth potentials.

Siemens Healthineers is a success story:

- Since its IPO the company has grown from €13bn revenue in Financial Year 2018 to over €23bn in FY25.
- The acquisition of Varian contributed approximately €4bn to this increase.
- Industry-leading margins; a best-in-class product offering; reliable cash-flow; high free cash flow conversion.

A strong, attractive business, but one with decreasing synergies to Siemens.

Siemens Healthineers serves markets which are increasingly different from the core markets for Siemens.

- Regulation in healthcare is comprehensive and increasing
- Digitalization, in the way we do it at Siemens today, doesn't scale into the Healthcare sector.

Through the planned deconsolidation Siemens Healthineers will benefit from a significantly higher free float: a leading pure-play MedTech champion, more attractive for the capital market.

What happens next?

We intend to transfer 30 percent of shares to Siemens AG shareholders by a spin-off.

And as a minority shareholder, we will continue to participate in the attractive business of Siemens Healthineers. In the medium term, we intend to reduce our shareholding to a financial asset.

The transaction still needs regulatory clarification and a green light from both shareholder meetings.

More details will follow in early Q2 calendar year 2026.

Let me assure you: Siemens is committed to managing its investment in Siemens Healthineers in a responsible and shareholder-focused manner.

A new Siemens has taken shape. A company with:

- less complexity and with simplified governance
- with a fast-growing digital business,
- with an unmatched portfolio of industrial software and digital services
- and with a strong portfolio in hardware; connected hardware that will be increasingly software-defined and enhanced with AI.

In short: A Siemens with a highly synergistic portfolio, ready to scale.

Portfolio matters. But there is more to our fabric than the mix of our businesses. When we say ‘we are changing our fabric, then we also mean: We are improving our operating model.

Remember: stronger customer focus, faster innovations and higher profitable growth.

Siemens is a strong company with rich history. This means legacy, too:

- Too many different systems, for example ERP systems.
- Still: many silos, for example data silos

Every single bit of this legacy made sense at some point in time. But the times have changed. The world has become more competitive. Companies need to be more resilient.

Scale matters more. Speed matters more.

We are giving our businesses an efficient, optimal environment – so they can focus, so they can innovate faster and serve our customers better.

That’s what our new operating model is about. We are building and rolling out services for all of our businesses:

- Highly standardized,
- Delivered in highly efficient ways
- Always up-to-date with the latest technology
- At world-class quality.
- For everyone at Siemens – at scale.

Because the world is squeezing out small. Digital tools allow us to use economies of scale in every possible way. Scale matters for data. Scale matters for AI. Scale matters when you want to be a powerful partner in a strong ecosystem.

That's why we are creating:

- ONE data fabric
- ONE technology fabric and
- ONE sales fabric.

Let's look at these fabrics - one by one - to see how they help our businesses grow faster:

ONE data fabric for all of Siemens

We are tearing down walls and bringing data where it belongs together.

- ONE ERP system
- ONE CRM system
- ONE data layer – for internal data, customer data, external data – all connected and available in real time

Today, our customers can already use 250 data products and with our data, we are feeding our AI models.

And because scale matters, our customers and partners want to connect into our data fabric. We started with the machine tool industry. 7 companies joined an alliance to pool data. Here is what our partners have to say:

(VIDEO, Trumpf and Voith from EMO data alliance)

ONE technology fabric:

This means: technologies and services which our businesses need for their success. We build them once and for everyone – at world class level.

One set of technology building blocks. Take our Software-as-a-Service business. We can create the supporting infrastructure once – for login, distribution, patching, cyber security. And do that for ALL our SaaS offerings. The specific applications on top are the differentiator and create value for our customers.

Or take software engineering. We have 30.000 software engineers. They use roughly 900 separate versions of software development tools. We plan to consolidate these into just a few dozen standardized tools. This will boost productivity.

And: ONE Industrial Foundation Model, I will talk more about that later.

Finally: ONE sales fabric

Let me be clear: for different markets, Siemens will still have different go-to-markets. We address them through 6 sales organizations:

- Automation
- Buildings
- Electrical Products
- Electrification & Automation
- Mobility
- Software

The important part: All of these sales teams are using the same sales fabric. That means:

- shared tools at lower costs,
- rigorously standardized,
- data-driven,
- for full transparency in real time,
- orchestrated by stringent account management, channel and partner management.

This means, Siemens will sell with

- ONE digital marketplace
- ONE sales tool set
- ONE vertical approach

Just to give you a simple example: All 6 teams have started using one and the same digital identifier for customers. This increases transparency and visibility: we now see in real-time and holistically, what each customer wants and buys. But also, using big data and AI, we see better what they are NOT YET buying. That way we unlock more sales opportunities.

Also, more standardization means less back-office work: In automation, for example, we are doubling the share of salespeople who carry a quota.

In short: With greater transparency, we can allocate resources better. This helps us grow faster.

And now: where will growth come from?

First of all, we are in a good place. Because, we are offering what the world needs more and more of. We are positioned along secular growth drivers:

- Automation
- Digitalization
- Electrification
- Sustainability
- Artificial Intelligence - AI for the REAL world

Let's have a look at our markets:

Our addressed markets grow at approximately 6% per year on average.

In five years' time, this adds up to a Total Addressable Market of €650bn.

The digital market therein grows much faster, by 11%, to €175bn in 2030.

In addition to this, we are tapping into expansions to our Total Addressable Market. They are adding up to €50bn in fiscal year 2025. We expect them to grow 14-18%, year by year, on average, until 2030.

These are very attractive growth areas for us, including:

- New AI apps and products
- AI factory capabilities
- Life sciences software

We are able to address these markets organically. And we will of course also evaluate opportunities for partnerships and acquisitions.

In short: Our addressed markets are growing.

And we are addressing market expansions which are growing even faster.

Siemens is accelerating its growth.

At our Capital Market Day 2019 we said 4-5%. We delivered.

At our Capital Market Day 2021 we said 5-7%. We delivered. Again.

Here is our new mid-term ambition; 6-9% comparable revenue growth.

This is our expectation only for our existing portfolio, excluding Siemens Healthineers.

Any growth from the TAM expansions is not reflected in this ambition.

Of course, we aspire not just growth, but profitable growth. Growth that translates into strong Earnings per Share. Our mid-term ambition regarding: EPS pre PPA - high single-digit increase.

Let's zoom in for a moment and look at the actual levers for growth. What are we doing specifically to tap into our growth markets and growth opportunities?

We see 4 big levers:

- Grow Digital
- Grow Regions
- Grow Verticals
- Grow AI

Let's take a look at them one by one:

First: Grow digital

In 2021 we had committed to an average annual growth rate of 10% for our digital business - which consists of software, IoT and digital services, and Consulting Services.

We delivered: Our digital business grew by 12% and reached €9.4bn in FY25, including acquisitions. We expect our growth to increase further: 15% on average every year, over the next 5 years. This means we expect this part of our business to double in revenue by 2030.

How do we grow in this area? Software is a big part of this. And especially recurring revenue from Software as a service.

Take our successful SaaS business in Digital Industries: We grew the annual recurring revenue with an average of 13% year over year to now 5.3 billion Euros. All in all, for our SaaS business model in PLM we won 24,000 customers. 7 out of 10 are new customers; almost 9 out of 10 are small and medium enterprises. For many of these smaller companies, this easier, faster access makes them choose Siemens software for the first time.

Then there is Siemens Xcelerator, our open digital business platform:

- It helps us reach SMEs through our marketplace and with SaaS offerings
- It helps us sell more effectively into verticals
- and to tailor offerings through digital threads.

5 examples for how it is gaining market traction:

- First manufacturing: Industrial Operations X. In one of their plants, Audi replaced physical controllers with virtual controllers from Siemens. The result: More flexibility, higher speed, lower costs. Audi will roll this out in all their factories. Currently, we are evaluating the virtual PLC with half a dozen further customers.
- Building X - We help to lower operations expenses, which are the lion's share of buildings costs. With data-driven optimizations, customers can save up to 30% energy and generate up to 10% more operating income.
- Signaling X which is Interlocking in the Cloud. Instead of physical signals at the side of the track, we offer virtual signaling in the cloud. We have done this for Norway, Finland, Austria and Barcelona. Yesterday, we announced that we will also do this for mass transit in Singapore.
- Gridscale X - Many electricity grids are at the limit. Thanks to our software products, grid operators can increase their capacity by up to 30% without upgrading or extending their hardware.

- Teamcenter X - We launched the Digital Reality Viewer. Running in Siemens Xcelerator and powered by NVIDIA Omniverse and GPUs. It lets customers explore complex products, photorealistic and in 3D - to speed up collaboration. The next level will be one unified, immersive, and highly realistic digital twin for factories. Foxconn will be the first user.

(VIDEO NVIDIA / Foxconn)

Lever 2: Grow Regions

Siemens is both a global and a local company. We are present almost everywhere on the planet. We grow where markets grow. And where markets grow particularly fast, we double down and increase investments.

Focus countries for us: the US, China and India.

This broad footprint also increases our resilience. When tariffs or trade restrictions come up, we can buffer

their impact for us. Most competitors can not. This supports our growth relative to the market.

Here is the CAGR for our addressable markets over the next five years in these 3 growth regions:

- US: about 6%
- China: nearly 4% and
- India: more than 7%

These figures exclude Healthineers.

And here is how Siemens fits into their growth stories:

The US wants to strengthen its critical infrastructure, reshore manufacturing and keep boosting its AI capabilities.

- We invested nearly \$1 bn in the US in the last two years. This includes an expansion of our local footprint in manufacturing for electrical products.
- We are transforming public transport with the first high speed rail link between the Los Angeles area and Las Vegas. With locally manufactured trains.

- We are partner for hyperscalers and their massive buildout of data centers. More on this later in a deep dive.
- We are offering software for production optimization especially for the needs of SMEs. It can enhance their shopfloor performance by up to 30%.

China is moving up the value chain, with high tech manufacturing, building out its digital infrastructure, and the country wants to strengthen its position as a global leader in AI.

- We keep providing high end automation in China, but we also started building value products for the local market – developed locally and fast. In the last year we have seen 18 new automation products. And we have more than 20 new products in the pipeline for next year.
- We see great potential for Siemens Xcelerator: More than half a million registered users in China and over 400 offerings by now.

India wants to boost domestic and export-oriented manufacturing. The country is rapidly building its own AI infrastructure and rail infrastructure - across the whole country.

- Siemens is upgrading the country's transportation sector; recently, we started the full production of our locally manufactured electric locomotives. 1200 are on order, including 35 years of full service maintenance. A €3bn contract.
- We bought C&S Electric, a local manufacturer of low-voltage equipment. They have been growing with a CAGR of around 20%.
- And, for medium-voltage, we started manufacturing environmentally friendly Gas Insulated Switchgear in India as well.
- This is very much recognized: We were awarded Best Multinational Company of the Year in 2025.

And there are opportunities in Europe, too.

- We continue to invest in Germany for its world-class industrial ecosystems, strong SMEs, and outstanding talent and research.
- We invested €250 million to upgrade Europe's most modern train factory in Munich.
- And we have started building our €500 million Technology Campus in Erlangen which will bring the Industrial Metaverse to life.

Lever 3: Grow Verticals

Verticals are becoming more important for Siemens, because our new fabric allows us to serve them better. In verticals we identify recurring customer problems. And we solve them with repeatable offerings. In other words: great potential to scale.

Here is the expected market CAGR for 5 growth verticals over the next 5 years:

- Rail Transportation – 5%
- Aerospace & Defense – 9%
- Life Sciences – 9%
- Semiconductors – 10%
- Data Centers and AI factories – 11%

Our target here is to consistently grow faster than these respective markets.

A bit more on the 5 verticals I just mentioned:

Data centers: Our revenue has increased to €2.9bn, with a growth in FY25 of 40%. Our customers are building the next generation of data centers, true AI-factories. Larger, denser, higher energy intensity. Through this vertical we bring everything we already have to offer. And we are developing new offerings: from advanced building management and automation with PLCs to DC switching for efficient power, and full digital twin simulation.

Life sciences: 9 out of the 12 top Pharma companies rely on BOTH, SI and DI offerings. We integrate what they typically need. And with Dotmatics we expand into software for their R&D processes.

Rail Transportation: We are technology leaders in many areas, including rolling stock, signaling in the cloud and AI-based predictive maintenance. Our ability to support with financing solutions is an additional advantage. In the rail transportation market, we expect to benefit from government stimulus programs.

We will take a deep dive on these 3 verticals in the afternoon. Let me share a bit more on the following two, Aerospace & Defense, and Semiconductors.

In Aerospace, we support our partners to use fewer resources. And we help them to develop more sustainable aircraft. 95% of the world's aircraft engines are developed and manufactured with Siemens software. 90% of satellites in the orbit have been developed with Siemens technology.

Defense budgets are growing globally - with a CAGR of approximately 7 % between 2025 and 2030. We have been a trusted technology partner of this industry for a long time.

Semiconductors: Globally, semiconductor companies plan to invest about \$1 trillion through 2030 in new fabrication plants. And 29 out of the top 30 semiconductor companies rely on Siemens technology. Two examples: Our automation and design software enables the production of 2-nanometer chips. We offer high precision building technology for clean rooms.

Lever 4: Grow AI

More specifically, Industrial AI.

AI is not new to Siemens. We have been developing AI-based tools and products for more than 50 years.

Today, we have 1.500 AI experts.

We use AI in 3 big ways: To boost innovation and productivity, to enhance our products - and we build our own AI offerings. Let's take these 3 one by one:

First: AI to boost our innovation speed and our productivity:

- We are using applications from Google for AI-powered improvement of our code, for example our Software-Defined Automation.
- The same tools help us dramatically speed up our bids for complex projects. We can shorten tender applications from weeks to hours.

Secondly: Powering our existing products with AI:

We have 38 AI offerings. And their number keeps growing. Two examples:

- AI that finds the best production path for machine tools – this will be possible thanks to our data alliance with the machine tool industry.

- We use Anthropic's model Claude to refactor our own software. In simple terms: the AI "cleans up" and simplifies code. This makes both our software – and the hardware it connects to – faster and more performant. Concrete benefits for our TIA portal Software: customer profit from updates, faster and with higher quality.

Third: we are building new AI products:

- Siemens is developing an Industrial Foundation Model. With our domain know-how and with vast industrial data, including some from partners. This model will speak the language of engineers and ingest any kind of industrial data.
- We are also working on AI agents for industry. Agents that plan, think, use tools, and cooperate with humans – to achieve clear goals. We are doing this with partners such as AWS.
- Our award-winning industrial copilot is already being used by numerous customers; it offers up to 30% higher productivity in factories; we developed it together with Microsoft.

For the AI opportunity, we strengthened our team. Vasi Philomin joined us a few months back from AWS. He is scaling an AI development center in Seattle - connected to our AI and domain experts all over the world.

In the next 3 years we will invest more than €1bn in our AI capabilities and offerings. And we will work ever more closely with our partners. For example, NVIDIA. Jensen Huang, their CEO, sent us this video message:

We are in the pole position. We are THE leader in Industrial AI; AI for the REAL world. And we have everything we need to build from here:

- data
- domain know-how
- the right people
- the right partners
- the resources to invest.

Now you know how Siemens will accelerate growth. Grow profitably. With a highly synergistic portfolio and a new fabric, an operating system for speed and scale.

As ONE Tech Company, Siemens can

- address new markets
- with new products – software and AI enabled offerings
- and tap into an unmatched ecosystem of world-class partners

At the same time, we benefit from our traditional strengths:

- trust from our customers, grown over decades
- a global footprint
- a great team – our management and Team Siemens around the world

The key takeaways for our ambition:

- Revenue growth: 6-9 %, picking up momentum over the next years.
- EPS pre PPA - high single-digit increase.

New fabric, new markets, new products. Siemens has entered its next stage of growth.

And now, I'm happy to hand over to Ralf for more details about our financials.

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