

SPEECH FOR PRESS CALL
Q2 2026

**“SIEMENS CONTINUES PATH OF
PROFITABLE GROWTH”**

Roland Busch
President and CEO

Veronika Bienert
CFO

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Check against delivery.

[Roland Busch]

Ladies and gentlemen,

Good morning everyone and thank you for joining us to discuss our performance in Q2 2026.

I'm very pleased that we're continuing our successful path of profitable growth despite the still very tense geopolitical environment.

In the crisis-hit region of the Middle East, the security of our colleagues has been our top priority over the last few weeks.

From a business perspective, we expect our revenue share from this region to be limited in the current year to 3 percent to 4 percent. The region accounts for only 1 percent of our procurement volume.

Nonetheless, we've taken appropriate measures to limit the risks.

We're closely monitoring developments as well as the possible impact on inflation, global supply chains and investment sentiment.

However, we haven't yet observed any significant influence on customer buying behavior to date.

Siemens is benefiting from its technological leadership and its strong position in key growth markets.

Let me walk you through the highlights of Q2:

Book-to-bill reached a strong 1.22, lifting our order backlog to a record high of €124 billion.

As anticipated, nominal revenue growth was again materially impacted by the strong euro.

Orders at Group level reached €24.1 billion, an increase of 18 percent compared to Q2 2025, with double-digit growth at all three core businesses.

Smart Infrastructure – or SI for short – again delivered a quarterly order record. We're seeing strong demand across almost all markets.

SI's data center vertical clearly stood out, with unprecedented triple-digit percentage order growth, topping even the excellent Q1.

Demand continues to be vibrant, driven by the buildout of cloud and AI infrastructure.

At Digital Industries – or DI – growth continued. The market environment had previously shown some early signs of improvement. But these are now being challenged by renewed geopolitical volatility.

The automation business was strong across all Regions.

Our software business seized several major opportunities across the entire portfolio and is successfully upselling within its customer base.

Mobility – or SMO – won several significant large orders in Q2.

Two weeks ago, we announced an important project, which we're booking in Q3:

We're delivering up to 200 double-deck trains based on our Desiro platform to Swiss Railways – or SBB – for Switzerland's commuter rail network. The order value is around 2 billion Swiss francs.

Overall, revenue growth totaled 6 percent, driven by DI and SI.

A very strong contribution came from SI's electrification business, which posted an 18 percent increase. DI's software business delivered compelling growth of 14 percent.

It's been very gratifying to see that revenue was up in all Regions.

The Americas led the way, with an increase of 10 percent fueled by strong momentum in the U.S.

Europe, Middle East, Africa – or EMEA – grew 2 percent, while Asia, Australia was up 8 percent, driven by India, which grew 21 percent.

Profit Industrial Business reached €3 billion for a profit margin of 15.4 percent.

We saw operational strength at DI and SI, while SMO was burdened by U.S. tariffs.

Currency headwinds reduced the profit margin by 80 basis points but are expected to ease in the second half of fiscal 2026.

These results translated into basic earnings per share before purchase price allocation accounting, or EPS pre PPA for short, of €2.81, which included – as previously reported – a gain from the divestment of our airport logistics business in the U.S.

After a somewhat weaker Q1 2026, free cash flow increased to €1.7 billion.

We confirm our outlook for fiscal 2026 at Group level – with some adjustments at individual businesses. Veronika will provide you with more details later.

Let's take a look now at the portfolio. As planned, we've concretized the timeline for the spin-off of Siemens Healthineers shares. A shareholder decision is now planned for our next ordinary Annual Shareholders' Meeting in February 2027.

Let's take a look now at the four key levers that are driving our growth as ONE Tech Company.

First – Grow Digital

In the first half of fiscal 2026, we grew our digital business by 19 percent – well above the ambition level of 15 percent we announced last November.

What are the drivers? We're generating organic growth from our expanded Siemens Xcelerator software and digital services offerings coupled with strong growth from our latest software acquisitions.

Second – Grow Regions

The Lionheart Project is a prime example of Siemens' strength as ONE Tech Company. Europe's first integrated lithium project, Lionheart combines sustainability and critical raw materials. The Australian company Vulcan Energy is building a geothermal plant in Germany's Upper Rhine valley to extract lithium, a key component of batteries for electric vehicles.

The project will strengthen Germany's competitiveness and thus its growth.

Our technologies – automation and digitalization systems and smart building solutions – are the backbone of the project.

We're combining these technologies and helping ramp up production faster.

ONE Tech Company also includes Siemens Financial Services – or SFS – which will be a minority investor in the project and has supported the structuring and arrangement of its debt financing.

Third: Grow Verticals

Data center demand has been soaring.

Our team grew revenue in the first half-year of fiscal 2026 by more than 45 percent to €1.8

billion.

We're confident that we'll be able to keep up this stunning pace throughout fiscal 2026.

To meet accelerating demand, we're further expanding low- and medium-voltage production capacities in the U.S. at several locations in North and South Carolina.

And we're further expanding our data center partner ecosystem to scale next-generation AI infrastructure.

The goal is to create more flexibility across computing, energy and the necessary infrastructure systems.

Our customers will be able to connect their data centers to the grid faster, scale more efficiently and operate more reliably even in a power-constrained world.

Fourth growth lever: Grow AI

Bringing industrial AI to the real world was the focus of our first Real Meets Digital, or RXD for short, summit in Beijing – an event attended by more than 2,700 customers and partners.

While there, I spoke with Joe Tsai, the CEO of Alibaba. We expanded our partnership to bring our industrial software together with Alibaba's cloud and AI capabilities. Now, experts at our customers in China can run complex simulations more flexibly and more efficiently.

At the event, we also introduced 26 new products for edge, automation and control to support industrial AI in industry and infrastructure. We developed these products locally and, as we always say, at "China speed" for the Chinese market and beyond.

Those of you who visited our booth at the Hannover Messe could see firsthand how – together with our partners – we're scaling industrial AI in production facilities.

Let me highlight just a few examples:

- First, we launched our Eigen Engineering Agent – a milestone that's enabling us to move from an AI that only provides assistance to industrial AI, which plans and executes engineering tasks in even complex projects.

The impact is impressive, with up to 50 percent greater efficiency and up to 80 percent higher solution quality – proven in more than 100 global pilot deployments. Since market launch, customer interest has been high.

- Second, we're applying physical AI in our own factories.

We're automating complex and unpredictable logistics tasks with AI-powered robots.

After receiving a task, these robots figure out by themselves how to solve challenges and optimize the required actions – a huge opportunity to address the scarcity of skilled labor.

- We've entered a strategic partnership with KION to jointly shape the supply chains of the future.

Using digital twins and our Digital Twin Composer, we turn warehouses from a physical hub into the digital nerve center for the supply chain.

A key point in our collaboration: we're exchanging selected areas of industrial data and domain knowhow to better scale industrial AI.

- As we all know, AI factories will increase the demand for electricity.

We already have a solution to help meet this demand: a new, comprehensive direct-current, or DC, protection and switching portfolio – the basis for the more efficient and sustainable operation of AI factories with DC solutions.

I'm very pleased with the momentum and performance of our DI software business.

Organic annual recurring revenue – or ARR – grew a very healthy 11 percent compared to Q2 2025.

The integration of our Altair and Dotmatics acquisitions is progressing very well.

We've taken a key step by implementing targeted cost synergy measures of US\$150 million following the Altair integration. The bottom-line impact will now follow.

As AI capabilities continue their rapid evolution, we're far ahead. We're using AI in our own operations – massively – to enhance productivity by leveraging, for example, the full potential of AI-powered coding for our software engineers.

We at Siemens are uniquely positioned to support our customers with precisely targeted, AI-powered industrial software. Let me explain what I mean in more detail. There are four key focuses.

First – Deterministic

Our customers' plants and systems follow physical laws. Predictable. Deterministic.

Unlike AI that's based on probabilities, our industrial AI provides physics-based solutions that deliver fast, high-quality deterministic intelligence that can be trusted and verified.

This intelligence isn't a given in the AI world. But for our customers, it's indispensable.

Second – Contextualized

Industrial-grade AI requires precise data contextualization.

Our industrial software understands design intent and all of a product's possible configurations. And it takes into account all the rules and all the relationships relevant for a product.

Third – Multi-Domain

The complexity of innovation is rapidly increasing in a world of more personalized and increasingly software-defined products. Our customers require fully integrated AI that understands a design across all the domains in their enterprises.

Siemens is the only company that can deliver this technology – everything from product lifecycle management – or PLM – to electronic design automation – or EDA – to simulation and shopfloor execution – from a single source.

And fourth – Live intelligence

Real-time intelligence that will drive action requires a digital twin that's infused with real-world physical data: a live digital twin.

Siemens is the industry leader in combining the real and the digital worlds to drive better, faster, real-time intelligence and governed action.

We're implementing this objective in three concrete ways.

First, faster engines

Our PhysicsAI solution doesn't replace deterministic computer-aided engineering – or CAE – solutions for simulation. But it makes them more efficient. Much more efficient.

With full AI support, an engineer can very rapidly screen thousands of design options and make deterministic calculations with only the top candidates.

The result: dramatically faster iterations for the optimal design and dramatically faster validation to get the customer to the market faster.

Second, faster engineering

Another key innovation is our new agentic, industrial-grade AI platform, which autonomously plans, executes and validates.

We've stress-tested this platform where the stakes are at their absolute highest – in semiconductor design. Our Fuse EDA AI system orchestrates highly complex workflows across very specialized tools. Securely. And reliably.

In addition, it delivers real productivity for engineering. The companies TSMC and NVIDIA are already using it.

The system is not a single tool. It's a platform approach. We'll extend this agentic intelligence to more than 20 agents across our entire software portfolio.

Third: increased design intelligence

One of the key challenges in building and implementing comprehensive digital twins for factories is complexity. Because data is fragmented everywhere. In different systems. In different formats.

Siemens has resolved this issue by introducing the Digital Twin Composer, which can merge all the data streams from the digital and the real worlds into one software product. We launched it at the Consumer Electronics Show, or CES, in January.

Two examples from the Hannover Messe: PepsiCo and KION. These companies have built an ever-evolving engineering mirror of a physical product or factory to constantly drive operational improvement.

Customer interest is massive. Since the CES, we've received more than 300 inquiries from large enterprises.

To sum up:

Our foundation is strong. It's built on Teamcenter – the industry's No. 1 trusted-and-secure PLM software for the centralized administration of development data and processes.

On its basis, we're bringing to life the benefits of:

- faster engines
- faster engineering and
- increased design intelligence.

Our industrial AI is secure, trusted and governed.

We're building precisely what our customers need: the AI-driven operating system for industry.

Now with that, I'll hand over to you, Veronika, for your first quarterly press conference as CFO. All the best!

[Veronika Bienert]

Ladies and gentlemen,

Good morning, everyone, and a warm welcome to our press conference call. I'm very pleased to engage in a dialogue with you today for the first time in my new role and to participate in jointly providing insight into the latest developments at our company.

Now let me jump right into the details of our successful second quarter of fiscal 2026 and share our expectations for the rest of the fiscal year.

We'll begin with Digital Industries, or DI. At €4.8 billion, orders for Digital Industries were 12 percent above the prior-year quarter, with a book-to-bill ratio of 1.03.

Overall market dynamics in DI's automation business have been gradually improving. At this stage, however, we have limited visibility into the impact that the conflict in the Middle East will have on investment sentiment in the future.

DI's software business again remained on a strong growth trajectory over the prior-year quarter, with orders close to €1.8 billion.

The book-to-bill ratio was clearly above 1, driven by structural tailwinds from sustained AI momentum and by several large order wins in the electronic design automation, or EDA, business and in the product lifecycle management, or PLM, business.

Our order backlog at Digital Industries increased moderately to €10.2 billion, with a gradually increasing share of software.

Let's turn now to revenue for Digital Industries, which increased 8 percent. Here, DI's software business was up strongly by 14 percent on broad-based double-digit growth across the PLM, simulation and EDA businesses.

Revenue in DI's automation business was up 6 percent, to €3 billion, led by the short-cycle factory automation business. The process automation business was up modestly.

With a strong contribution from its software business, DI's profit margin was, at 18.5 percent, higher than we expected.

Digital Industries is increasingly reaping benefits from the fact that the transition to software as a service is nearing completion and from realizing cost synergies in connection with Altair.

A favorable product mix, with a high share of short-cycle business, supported healthy profit conversion from the automation business, as well.

Sustained productivity gains remained the main engine for a clearly net-positive economic equation in the second quarter.

Integration-related costs in connection with Altair and Dotmatics reduced the profit margin by a magnitude of 90 basis points in the second quarter, in line with expectations. We now expect this number to reach around 80 basis points for the full fiscal-2026 year. Finally, as anticipated, negative currency effects weighed on DI's margin development with around 90 basis points.

I'm pleased that Digital Industries improved its performance in free cash flow to €760 million.

Looking at how the business developed from a regional perspective, DI's automation businesses grew across the board:

After a strong first quarter, China was robust and clearly up in orders and revenue. The first quarter of fiscal 2026 had been supported by some pull-forward effects due to expected price increases.

In the second quarter, the book-to-bill ratio was above 1 in China, where Motion Control, in particular, drove revenue growth. Customers have received our local product portfolio in China very well, and it grew by a rate in the mid-twenties.

Germany showed 13 percent order growth compared to a weak prior-year quarter, while revenue was up modestly.

The U.S. showed positive trends driven by brownfield modernization and greenfield activity in selected industries.

Among them were semiconductors, data centers, power generation, and grid modernization as well as aerospace- and defense-related manufacturing.

After a successful first half-year, we raise our fiscal 2026 guidance for DI's revenue growth, on a comparable basis, to the middle of a narrowed range of 7 percent to 10 percent.

In addition, we now expect DI's profit margin to come in within a target range of 17 percent to 19 percent.

The DI team continues to drive its growth trajectory and margin expansion by simplifying its setup, optimizing its sales approach, fostering innovation and ensuring stringent integration of recent acquisitions.

For the third quarter, we expect to see Digital Industries' orders clearly up over the prior-year level, with a strong contribution from its automation business.

We assume that DI's software business will grow moderately due to lower order volume from the EDA business year-over-year.

The sales funnel for the EDA business is again skewed toward the fourth quarter.

We anticipate that Digital Industries' revenue growth will see a high-single-digit increase supported by growth in both the automation and software businesses. In addition, we expect a DI profit margin of around 18 percent for the third quarter.

Now let's turn to Smart Infrastructure, or SI. In the second quarter, the SI team continued its success story with an excellent performance across all businesses and metrics.

Overall, orders were up 35 percent, reaching a quarterly record of €7.5 billion. This increase was driven by massive growth of 62 percent in SI's electrification business and 38 percent in its electrical products business.

Both businesses benefited from surging contract wins from hyperscalers and colocation providers, but also from leading semiconductor firms.

SI's data center orders amounted to a new record-high €1.9 billion, with our customers globally building out their capacities for surging AI workloads.

The book-to-bill ratio reached an outstanding 1.27.

Smart Infrastructure's order backlog reached a record level of €22 billion – and now already provides visibility well into fiscal 2027.

SI's revenue growth was broad-based and reached 10 percent. The largest contribution to this growth came from the electrification business, up 18 percent.

Stringent backlog execution led to further expansion of SI's operational margin, which rose 10 basis points year-over-year to 18.6 percent.

Smart Infrastructure continued to benefit from economies of scale, due to higher revenue, and from sustainable productivity improvements.

These effects offset a material currency headwind of about 110 basis points as well as higher commodity costs.

For the second half of fiscal 2026, we expect pricing measures in SI's product business to increasingly compensate for higher commodity prices.

With regard to free cash flow, Smart Infrastructure achieved an excellent cash conversion rate of 1.02.

Despite the strong top-line growth, the SI team reduced operating working capital.

Looking at the regional top-line development at Smart Infrastructure, there was healthy demand across the board.

Stringent backlog execution drove an increase in revenue.

The U.S. stood out with exceptionally strong order momentum, up 72 percent, led by data center demand. It was also good to see bookings in the buildings business up by low teens.

Germany recorded double-digit order growth in SI's buildings and electrical products businesses. The region comprising the rest of Europe plus the Middle East also benefited from large data-center orders in the Nordics and from some power utilities wins.

Despite a continuously soft real estate market, SI's orders and revenue in China showed further improvement, driven by its electrification and electrical products businesses.

Smart Infrastructure's service business delivered 7 percent growth, clearly up across all regions. We expect SI's service business to accelerate in the second half of the fiscal year.

Our SI team continues to expect very consistent end-market dynamics. Here, the build-out of data centers and power utilities is, and will remain, a key pillar for growth.

After delivering 10 percent revenue growth in the first half of fiscal 2026, and given high visibility from the order backlog, we raise our guidance for the full fiscal year for Smart Infrastructure's revenue growth. We now expect revenue growth in the range of 8 percent to 10 percent, on a comparable basis.

For full fiscal 2026, we continue to expect SI's profit margin to be in the upper half of our guided range of 18 percent to 19 percent.

For the third quarter, we anticipate that SI's revenue growth will be at the upper end of its target range and that the profit margin will be in line with our full-year expectations.

Mobility recorded a mixed set of results in the second quarter. Strong orders, at €5.3 billion, were well above the prior-year level; the book-to-bill ratio was 1.76.

Mobility's order backlog stands at €53.5 billion, with further improvement of the gross-margin profile. Around 30 percent of it represents attractive service business.

As Roland mentioned, Mobility's sales pipeline for the second half of fiscal 2026 looks very promising.

Mobility's revenue in Q2 came in 2 percent below the high basis of comparison from the strong level in Q2 of fiscal 2025. It was held back by the impact of U.S. tariffs, mainly in the rolling stock business.

In addition, in large-scale rail infrastructure projects, we saw conversion delays that were mainly due to delayed call-offs from framework agreements, especially in Europe.

The U.S. Supreme Court ruling on tariffs and the subsequent introduction of similar tariff structures triggered an immediate re-assessment of project calculations in the U.S. The results of this reassessment impacted the top and bottom lines equally.

These effects reduced Mobility's profit margin of 6.9 percent by 170 basis points. In addition, severance charges, at 80 basis points, were somewhat higher due to some factory-network optimization measures.

Mobility's free cash flow was soft, as expected, because the timing of milestone payments led to a temporary buildup of operating working capital.

Nevertheless, looking at the expected project payment profiles and the foreseeable order awards, we continue to expect a material catch-up in free cash flow in the second half of fiscal 2026 as we saw in the second half of fiscal 2025.

After the first half-year, we're taking a prudent perspective on the current geopolitical challenges, and we have taken into consideration the current situation regarding U.S. tariffs.

As a result, we lower our full-year outlook for revenue growth at Mobility to the range of 5 percent to 7 percent.

Despite this change, we confirm our outlook for Mobility's profit margin for the full fiscal-2026 year in the range of 8 percent to 10 percent, although we now expect it to come in toward the lower end of the range.

For the third quarter, we assume that Mobility's revenue growth and profit margin will be within the full-year guidance range.

Performance in activities below our Industrial Business – as shown on page 19 in the appendix – was as expected. These results included a gain of €172 million from the sale of our airport logistics business in the U.S.

At €1.7 billion, free cash flow in our second quarter was well above the prior-year level. As discussed, we saw a significant catch-up in our Industrial Business as well as lower tax payments below our Industrial Business.

We're very confident that we will achieve a double-digit cash return on revenue once again in fiscal 2026.

With our capital structure metric of 1.2 for industrial net debt over EBITDA, and with strong investment-grade credit ratings, we continue to act from a position of financial strength.

We also remain fully committed to delivering stringent capital allocation and strong shareholder return.

Therefore, we retired 18 million treasury shares in March 2026 and have almost finished our current €6-billion share-buyback program after less than two and a half years.

We will conclude this share buyback program in a few weeks. As a result, we're already announcing today a new program with a volume of up to €6 billion over a period of up to 5 years. These parameters allow sufficient flexibility.

We've built a track-record of rigorously accelerating execution of our share buyback programs, whenever doing so makes sense and is feasible.

Now, let me point out the updated assumptions on which our outlook for full fiscal 2026 are based. Additional investments in AI-based innovation will lead to research-and-development intensity slightly above prior-year levels.

Selected investments in optimizing our sales channels will keep "selling and general administrative expenses," as a percentage of revenue, on par with the prior-year level.

We will continue to support medium-term growth momentum by increasing investments in targeted growth fields to expand capacities.

We now expect severance costs in the range of €300 million to €350 million.

We will continue to work rigorously on ensuring competitiveness across our businesses and functions, primarily with regard to Digital Industries.

As expected, foreign exchange effects were a strong burden on our results in the first half of fiscal 2026. However, based on current exchange rates, we expect the foreign exchange headwinds to ease over the second half-year.

Finally, let me conclude with our confirmed outlook for the Siemens Group: For fiscal 2026, we continue to expect comparable revenue growth to reach the upper half of our guidance range of 6 percent to 8 percent.

And we anticipate that we will reach basic earnings per share, before purchase price allocation accounting, in a range of €10.70 to €11.10.

In a time of highly volatile geopolitics, we're delivering resilient performance with healthy growth and strong free cash flow.

Thank you for your attention. We're now looking forward to your questions.

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