

Flying start to fiscal 2023 – Guidance raised

- **Continuing growth momentum and very good results in Q1**
- **Revenue up 8 percent on a comparable basis to €18.1 billion (Q1 2022: €16.5 billion)**
- **At €22.6 billion, orders at a high level (Q1 2022: €24.2 billion)**
- **Profit Industrial Business at €2.7 billion – a 9 percent increase and at a record level in Q1 2023 (Q1 2022: €2.5 billion)**
- **Net income of €1.6 billion (Q1 2022: €1.8 billion)**
- **Guidance raised: Siemens now expects comparable revenue growth in the range of 7 percent to 10 percent (previously expected at 6 percent to 9 percent) and an increase in basic EPS pre PPA to a range of €8.90 to €9.40 (previously expected at €8.70 to €9.20)**

Siemens started fiscal 2023 (to December 31, 2022) with a strong performance and maintained its continuing growth momentum with very good results in Q1. The company leveraged growth opportunities in its key markets despite a still complex macroeconomic environment. Following the strong start in fiscal 2023, Siemens raises its outlook for fiscal 2023. For the Siemens Group, the company now expects comparable revenue growth, net of currency translation and portfolio effects, in the range of 7 percent to 10 percent (previously expected at 6 percent to 9 percent) and continues to expect a book-to-bill ratio above 1. Furthermore, Siemens now expects this profitable growth of its industrial businesses to drive an increase in basic EPS from net income before purchase price allocation accounting (EPS pre PPA) to a range of €8.90 to €9.40 (previously expected at €8.70 to €9.20) in fiscal 2023.

“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

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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,” said Roland Busch, President and Chief Executive Officer of Siemens AG.

“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,” said Ralf P. Thomas, Chief Financial Officer of Siemens AG.

Profit Industrial Business sets new first-quarter record

In Q1 2023, Siemens increased revenue on a comparable basis 8 percent to €18.1 billion (Q1 2022: €16.5 billion). At €22.6 billion, orders were at a very high level (Q1 2022: €24.2 billion). The prior-year figure included an extraordinarily high order volume at Digital Industries and Mobility. The book-to-bill ratio was a robust 1.25, whereby all businesses were considerably above 1. At €102 billion, the order backlog was at an excellent level and of high quality despite negative currency translation effects of €4 billion.

Profit Industrial Business totaled €2.7 billion, an increase of 9 percent and a new record for the first quarter of a fiscal year (Q1 2022: €2.5 billion). At 15.6 percent, the profit margin of the Industrial Business was at about the same high level as in the prior-year quarter (Q1 2022: 15.7 percent). Net income reached €1.6 billion (Q1 2022: €1.8 billion). Net income in Q1 2022 had included a positive effect of €0.3 billion (pretax) related to the investment in Fluence Energy following its initial public offering. Corresponding basic earnings per share before purchase price allocation accounting were €2.08 (Q1 2022: €2.24).

Free cash flow all-in at Group level from continuing and discontinued operations reached €86 million (Q1 2022: €1.1 billion). The Industrial Business generated free cash flow of €0.4 billion (Q1 2022: €1.4 billion). The decline in both figures was driven primarily by higher trade receivables and temporarily increased inventories.

Due to Siemens' significant growth momentum, both free cash flow all-in and free cash flow in the Industrial Business have been weaker to date and will recover considerably in the further course of fiscal 2023.

Strong performance at Digital Industries and Smart Infrastructure

Revenue at Digital Industries increased by a total of 15 percent on a comparable basis to €5.1 billion, with the strongest contribution coming from the automation businesses. Orders declined 13 percent on a comparable basis to €6.3 billion and were below the extraordinarily high level of Q1 2022. However, orders showed sequential growth compared to Q4 fiscal 2022. Profit climbed 22 percent to €1.2 billion, while the profit margin totaled 22.5 percent. Profit and profitability rose in all automation businesses, supported by higher capacity utilization and a more favorable product mix with improved availability of components for high-margin products.

At Smart Infrastructure, orders rose 16 percent on a comparable basis to €6.0 billion. All business areas contributed to this growth, in particular, the electrification business due to a number of larger contract wins from the semiconductor industry, among others. Revenue grew 15 percent on a comparable basis to €4.6 billion. Profit climbed 47 percent to €704 million. The profit margin reached 15.3 percent (Q1 2022: 12.6 percent), Smart Infrastructure's best quarterly profit margin to date.

Mobility increased its revenue 7 percent on a comparable basis to €2.4 billion. Orders, on the other hand, were down 42 percent on a comparable basis to €3.0 billion. In Q1 2022, Mobility had scored a number of large contract wins and recorded its largest-ever quarterly order intake. While profit declined 13 percent to €195 million, the profit margin totaled 8.0 percent. The effects of supplier delays in delivering materials and components and of a less favorable product mix were largely offset by positive effects from the sale of previously written-down inventories.

Guidance raised

Following the strong start in fiscal 2023, Siemens raises its outlook for fiscal 2023.

For the Siemens Group, the company now expects comparable revenue growth, net of currency translation and portfolio effects, in the range of 7 percent to 10 percent (previously expected at 6 percent to 9 percent) and continues to expect a book-to-bill ratio above 1.

Digital Industries now expects for fiscal 2023 to achieve comparable revenue growth of 12 percent to 15 percent (previously expected at 10 percent to 13 percent). The profit margin is now expected to be 20 percent to 22 percent (previously expected at 19 percent to 22 percent).

Smart Infrastructure now expects for fiscal 2023 comparable revenue growth of 9 percent to 12 percent (previously expected at 8 percent to 11 percent). The profit margin is now expected to be 13.5 percent to 14.5 percent (previously expected at 13 percent to 14 percent).

Mobility continues to expect for fiscal 2023 comparable revenue growth of 6 percent to 9 percent and a profit margin in the range of 8 percent to 10 percent.

Siemens now expects this profitable growth of its industrial businesses to drive an increase in basic EPS from net income before purchase price allocation accounting (EPS pre PPA) to a range of €8.90 to €9.40 (previously expected at €8.70 to €9.20) in fiscal 2023.

This outlook excludes burdens from legal and regulatory matters and material impairments.

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In fiscal 2022, which ended on September 30, 2022, the Siemens Group generated revenue of €72.0 billion and net income of €4.4 billion. As of September 30, 2022, the company had around 311,000 employees worldwide. Further information is available on the Internet at www.siemens.com.

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 Siemens Report (siemens.com/siemensreport), and in the Interim Group 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.

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