

**2023 ANNUAL SHAREHOLDERS'  
MEETING OF SIEMENS AG**

**SIEMENS IS ONE OF THE BEST  
TECHNOLOGY INVESTMENTS**

**THE RIGHT STRATEGY, THE RIGHT  
TECHNOLOGIES, THE RIGHT TEAM**

Dr. Roland Busch  
President and CEO of Siemens AG  
Munich, February 09, 2023

Check against delivery.

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I'd like to warmly welcome you all to the Annual Shareholders' Meeting of Siemens AG.

We achieved a lot in fiscal 2022. But let's pause for a moment and reflect.

Parts of Syria and Türkiye have been hit by a catastrophic earthquake. Our thoughts are with the victims, with their families, with all those affected. We want to help. And we have. Together with Siemens Healthineers, we've already provided €1 million in immediate assistance. That's a start. Siemens Caring Hands, our charitable organization, is currently surveying the situation to see what else we can do.

And this is not the only acute crisis keeping us in suspense. Do you remember our Annual Shareholders' Meeting last year? Exactly two weeks later, on February 24, war broke out in the midst of Europe.

Inna Martynjuk is the Chief Financial Officer of Siemens Ukraine. She, too, couldn't imagine a Russian invasion. When it happened, she was on vacation in Colombia. Inna wanted to get back to her family, but there were no longer any flights to Ukraine. Instead, she flew to Germany. And from here, she managed our crisis team, organized aid transports, helped people flee and helped rebuild electricity and water supplies. Today, she commutes between Wiesbaden and Kyiv. "We have to help. It's about people," she says.

And there's Sergiy Dwornyk. He heads our industrial automation business in Ukraine. His wife and daughter are currently in Poland. His parents and sister are holding out in the heavily damaged city of Mariupol. Sergiy says, "I don't have time to be afraid. The customers need us." In Kharkiv in eastern Ukraine, for example. A gas-fired power plant there has already been shelled twice. In both cases, Sergiy and his team were able to deliver spare parts very quickly to repair the plant's control system. So the people in Kharkiv have electricity and heat again.

Thank you, Inna. Thank you, Sergiy. My thanks to you and to all our colleagues. You've shown courage and strength, and what you've achieved is extraordinary. In Ukraine and around the world.

You donated money. You provided rooms and apartments. In Warsaw, you converted a Siemens building into a refugee shelter.

This war is affecting us all.

The world feels more insecure. Energy has become very expensive. Inflation has risen sharply. Many supply chains were already fragile. They've become even more vulnerable. Plus the long COVID lockdowns in China.

Massive challenges. For us. For our customers. For our competitors. For everyone.

But Siemens is stronger today than it was a year ago. Despite the war and the crises. Siemens delivered. Our team showed strength, courage, perseverance – and humanity. And Siemens grew. Faster than our competitors. Faster than the market. Faster than we ourselves had expected.

17 percent more orders. €89 billion.

8 percent more revenue. €72 billion.

More than €8.0 billion free cash flow – a record level, as in fiscal 2021.

And our Industrial Business was also strong. More than €10 billion in profit. And a profit margin of 15.1 percent. Our company has never been so profitable.

Our growth is also accelerating. In November, we were still expecting 6 percent to 9 percent for the current fiscal year. However, the year has started so strongly that we raised our guidance yesterday. We now expect 7 percent to 10 percent revenue growth for 2023. We have also raised our guidance for basic earnings per share.

Siemens is growing. Siemens is growing profitably. Siemens is becoming more resilient.

Siemens is one of the best technology investments you can make right now.

Because:

We have the right strategy.

The right technologies.

And the right team.

Crises reveal a company's true strength.

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Let's take a look at our individual businesses. By the way, all the key figures are, of course, on a comparable basis.

Digital Industries: a 13 percent increase in revenue. Industrial automation: up 23 percent. The profit margin was 19.9 percent. The development of our software business has been very successful. We're transitioning a large share of this business to a new model – namely, software-as-a-service. This model entails regular payments by our users rather than a one-time license fee. Such offerings are attractive for small and medium-sized enterprises in particular. And the transition is proceeding better than planned: to date, 5,500 customers have already opted for the new model.

Smart Infrastructure: revenue grew 10 percent. The margin climbed to 12.8 percent. Growth in two businesses was exceptional: up 19 percent in low voltage and 11 percent in medium voltage. One excellent performance: our plant in Grand Prairie, Texas, where we manufacture control panels for data centers, among other things, and the charging infrastructure for electric vehicles. Others couldn't keep up deliveries. Our team boosted production 47 percent.

Mobility: revenue increased 3 percent. And this even though we completely exited from our Russian business in May 2022 after 170 years. Russia was especially important for Mobility. But major orders came in from other parts of the world. In the U.S. and Europe, we'll supply a total of 115 locomotives to our customers Amtrak and Akiem alone. In Egypt, we're rebuilding the entire rail system and connecting 60 cities. It's a project that will transform Egypt. And finally, a major order from Deutsche Bahn for 43 additional ICE 3neo trains. The order now totals 73.

Siemens Healthineers: revenue grew 6 percent. The profit margin was 15.5 percent. A strong innovation: the first photon-counting computed tomography, or CT, scanner. Customers are now using it successfully. The scanner delivers better images for more precise diagnoses, with 40 percent less radiation. In addition, Varian, our new business for radiation therapy, is developing excellently and constantly gaining market share.

Our digital business – the software and digital services of Siemens AG – is also growing more strongly than expected. An increase of around 15 percent. Considerably above our growth target of 10 percent.

Siemens grew strongly. Siemens grew profitably. And Siemens grew sustainably.

Earnings per share, excluding effects from purchase price allocation accounting, were €5.47. This figure includes an impairment, an accounting adjustment. As you know, we hold a stake in Siemens Energy, and its market value has fallen. Excluding this impairment, earnings per share would have been €8.84. And thus higher than in the prior year. And this trend should continue in the future.

Our order books are full: we have an order backlog of €102 billion. Also a record. And our course is set for further strong growth. This trajectory can also be seen in the ratio of new orders to revenue – the so-called book-to-bill. A figure above 1 indicates that revenue growth can be expected. At 1.24, we're way above that.

Of course, to turn orders into actual revenue, you've also got to deliver. Technology is helping us fill open orders. And do it fast. One example. We have three plants manufacturing products like SIMATIC. Two of them are in Germany – one in Amberg and one in Fürth – and the third is in Chengdu in China. They're fully digitalized and networked. When parts for a product were unavailable in China, for example, we shifted the orders quickly, and promptly ramped up production in Germany – and vice versa.

Yet another reason why we gained market share.

And this should benefit you, our shareholders. We promised you a progressive dividend policy. Last year, our dividend was €4.00 per share. This year, we're proposing a dividend of €4.25 per share.

My colleagues – managers as well as employees whose terms of employment are subject to collective bargaining agreements – are also participating in this success through above-average bonuses.

Pandemic, war, inflation, the exit from our business in Russia. We coped with it all. And we delivered a record fiscal year.

Siemens is growing. Faster than the market. Faster than most of our competitors. Faster than we ourselves had expected.

I'd like to thank all my colleagues – the more than 300,000 people at Siemens worldwide – for their great personal commitment. Thank you.

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The right strategy. The right technologies. The right team. I'd like to take a closer look now at these three success factors with you. Let's start with our strategy.

By the way, our strategy can be summed up in one sentence:

We combine the real and the digital worlds.

That's our strategy.

Sounds good. But what does it actually mean? We combine the real and the digital worlds.

Take our mobility business, for instance. Our customers buy locomotives and trains from us. Products you can touch. The real world. And once a train is on the track, it should run as much as possible – and land in the repair shop as seldom as possible.

It's a matter of optimization. And this is where the digital world helps out. Sensors in the train collect data. Software processes it. Artificial intelligence helps recognize patterns. Our industry knowhow helps us make the right recommendations. As a result, we can predict, for instance, when a train door will fail, and we can do predictive maintenance.

This is what Siemens can do.

And when I say Siemens, I mean people like Michael Taylor. He joined Mobility five years ago. Today, he's one of our data gurus. One of more than 1,400 experts in data analytics and artificial intelligence. He combines the real and the digital worlds. How exactly does he do it? Let him tell us now himself. We'll hold this conversation in English. But there'll also be a simultaneous translation into German.

[For the conversation with Michael Taylor, please skip to 0:50:28 the recording.]

With solutions like the one Michael developed, Mobility is optimizing services for rail operators around the world. Whether their trains are from Siemens or from our competitors. Maintenance costs can be reduced by up to 15 percent. And with artificial intelligence, we can even guarantee that trains are up to 100 percent available and thus don't break down unexpectedly. As a result, our customers get more from our trains. And passengers can rely on their rail services.

One great example of what happens when we combine the real and the digital worlds.

We can do this because we understand the world of our customers. Customers trust us. Because we've also been working with them, in some cases, for decades. Because we know their products and production operations and understand their business models. Data in the digital world provides a new picture, but only if you know the context. We understand the context. We have the necessary industry knowhow. Others only have algorithms.

We combine the real and the digital worlds in all our businesses.

We have the technologies to do it. We also strengthen our own position by buying companies with outstanding solutions.

Like Brightly. With its cloud-based software, buildings can be maintained proactively and operated with greater energy efficiency. To do this, the company uses data from water lines, fuse boxes and heating systems to predict when something needs maintenance. This approach helps prevent failures. It's a rapidly growing market. And one in which Siemens is now a leading supplier.

We've also completed our acquisition of Sqills. This company helps rail and bus operators improve vehicle utilization. Passengers can book easily via a single digital reservation system. Ouigo España is a Sqills customer that operates high-speed trains between Madrid and Barcelona. Thanks also to Sqills, its trains are 95 percent full.

However, strategy also means saying no to technologies, to businesses, to investments that no longer really suit us. We want our businesses to have the most suitable owner. One with whom they can best grow profitably. That's why we also divested businesses.

We sold our road traffic technology business to the Italian company Atlantia.

We sold Siemens Logistics' mail and parcel business to the Körber Group.

Our partner took over our stake in Valeo Siemens eAutomotive.

And we're currently merging several businesses into one strong company for motors and large drives.

Focus. Focus on what counts over the long term. Just a few months ago, we celebrated our company's 175th anniversary. At Siemens, it's not only about the next quarter, but about stable, long-term growth. That's what many of our company's owners also value. That's why very many of you have also been with us for years. I'd like to cordially thank you today for your great support.

Our strategy is geared to the long term. And it's aligned to the really big trends. The megatrends. Because only through sustainable growth can we jointly improve the quality of life and transform the everyday of billions of people worldwide.

What will humanity need in the coming decades?

What technology paths promise solutions?

What products and services do we want to offer in the future?

Let's take a closer look at the five most important megatrends:

Climate change.

Globalization – which is currently evolving into glocalization – I'll get back to this in a moment.  
Urbanization.

Urbanization.

Demographic change – we're living longer, societies are aging.

And finally, a megatrend that is helping us with all these challenges: digitalization.

For years, we've been aligning our portfolio to these megatrends. Each presents specific challenges for our customers. We help them master these challenges. The bigger the challenge, the bigger the market – for Siemens as well.

First: climate change. The good news: many companies and countries around the world have a CO<sub>2</sub> target: net zero. The bad news: we're all running late. It's an enormous task. And a huge opportunity for Siemens. Sustainability is a growth market. We help customers achieve more with fewer resources. In manufacturing, in buildings, in energy systems, in transportation, in hospitals. A few examples:

We're making power grids smarter so they can better handle renewable energies.

Data centers and buildings can be operated more efficiently with Siemens solutions.

Our new air-insulated circuit breaker functions without SF<sub>6</sub> gas – a gas that's extremely harmful to the climate.

Our variable drive systems save electricity. In production, on conveyors, in machines. Up to 60 percent.



Using digital twins, we design products and systems that operate optimally right from the start, saving energy and resources.

Our trains are an ecofriendly transport mode for people and goods.

Incidentally, they'll also be running soon with a hydrogen drive. On the Berlin Heidekraut Railway, for example. The operator has ordered our hydrogen-powered trains. They'll replace diesel trains and avoid around 3,000 tons of CO<sub>2</sub> emissions per year.

We've calculated the volume of the emissions our customers will avoid because they bought Siemens products and solutions in fiscal 2022: around 150 million tons of climate-damaging emissions – or an amount nearly equal to the entire emissions of the Netherlands.

By the way, counting CO<sub>2</sub> emissions isn't all that easy. If you take a very close look, you'll find that, in many industries, 90 percent of the CO<sub>2</sub> emissions are actually attributable to intermediate products. And the big lever is precisely here.

That's why we've developed a solution that makes CO<sub>2</sub> emissions in supply chains transparent. It's called SiGreen. SiGreen provides companies with an overview of the carbon footprint of an entire supply chain. From raw ore or sheet metal for a component, to the chip and to the transport of the finished product. And it guarantees the confidentiality of all information – thanks to blockchain technology. This approach helps us and our customers. Everyone in a chain can use SiGreen to choose suppliers that emit less CO<sub>2</sub>. Or motivate suppliers to avoid CO<sub>2</sub> altogether.

Here, too, we combine the real and the digital worlds. For greater sustainability.

But of course we don't just rely on others to make climate contributions with our products and solutions. We, too, are becoming increasingly sustainable. We've reduced our own CO<sub>2</sub> emissions by 46 percent compared to 2019. In 2030, Siemens will reach net zero. And we'll do it almost completely on our own – among other things, by improving our factories, our offices and our vehicle fleet. We're investing an additional €650 million to make this happen.

These successes are part of our DEGREE framework, which is our 360-degree approach to the environment and to social topics and to good corporate governance. I'll be saying more about this in a moment.

The second megatrend: globalization. Or what's now the preferred term: glocalization. Once again, many countries would like to manufacture more themselves. Locally. To become more resilient, also in times of crisis. In high-wage countries, meeting these goals means that

factories have to be highly automated and fully digitalized. And in this area, we have a lot of experience since Siemens has always invested and produced in Germany and other high-wage countries.

We want to be where our customers are – namely, all over the world.

The third megatrend: urbanization. More and more people are moving to cities. For example, to megacities like Delhi in India and Lagos in Nigeria. How can infrastructure expansion keep pace with demand? Which investments make cities more livable and sustainable?

Here, too, we use digital twins. Twins that help with urban planning. Twins that grow along with a city and analyze in real time how people use their urban space. What's happening in the streets, in buildings or in the power grid. We're currently using this technology ourselves in the construction of the new Siemensstadt district in Berlin.

The fourth megatrend: demographic change. We're living longer. We're having fewer children. Our societies are aging. More and more people need care. More patients.

Siemens Healthineers helps doctors treat more people without causing costs to skyrocket. Artificial intelligence, for example, already supports diagnostics and reduces the burden on specialists.

Demographic change also means fewer workers. Faced with this shortage, how can we maintain our standard of living? Thanks to automation and digitalization, even fewer people of working age can produce enough – enough for everyone. This, too, means tailwinds for Siemens in all our businesses.

All these examples show that digitalization is the key. It helps us deal with these megatrends and master the challenges. And seize the opportunities.

Artificial intelligence that reduces the burden on medical specialists.

SiGreen: to identify and avoid CO<sub>2</sub> in the supply chain.

Manufacturing everywhere, also in high-wage countries.

Digital twins that help cities grow sustainably.

The challenges are real. So are the solutions.

But the solutions will be better if you combine the real and the digital worlds.

Siemens can do this. Like no other company. And we help our partners and customers do the same.

That's why we launched Siemens Xcelerator – an open, digital business platform. Where you get what you need if you want to combine the real and the digital worlds: software, services, digitally connected hardware. Devices that process and exchange data with one another. From Siemens, but also from other providers. In short: a marketplace. Where you find the big companies you'd expect to see: for example, Accenture, Amazon Web Services, Microsoft and SAP. And also smaller enterprises with smart ideas and solutions.

Siemens Xcelerator is an ecosystem. The more participants it has, the more comprehensive it becomes. One important aspect: these offers must fit together. That's why, we'll be making our entire digital portfolio modular, cloud-enabled and interoperable as time goes on.

Sometimes I'm asked: "Roland: cloud, software, digitalization. Is Siemens turning into a software company?"

And you all know my answer by now, right?

Siemens combines the real and the digital worlds.

We're a technology company.

We're strengthening our hardware business. We're expanding our software portfolio. We're offering more and more digital services. And we're using software to make our hardware smarter, more efficient and more valuable.

That's exactly what we did for a car manufacturer, a major customer of ours. My colleague Efrossini Tsouchnika, the head of our industrial controls business, is here now to tell us more.

[For the conversation with Efrossini Tsouchnika, please skip to 1:08:16 the recording.]

Efrossini – thank you very, very much. For two things, in particular. First, for making such a strong contribution to revenue and profit with our automation business. And second, for not letting up. It's hard to get to the top. It's also hard to stay there.

It goes on and on, with new technologies, new visions. One such vision: the industrial metaverse.

Many people associate the term metaverse first and foremost with computer games. At Siemens, we're working on the industrial metaverse. It's a virtual world that's always online. Where people can work together in real time. We'll dive into the digital world and develop solutions together with partners around the world. Solutions from the digital world – for the real world.

Our digital twins are very important for the industrial metaverse. They mirror the real world. Every detail: temperature, gravity, speeds, material properties and dozens of other variables. In a factory, for example. In a digital simulation, we can detect faults earlier and fix them. Or we can also try out things without stopping real production. To do this, we need things like sensors, edge technology and, you remember, cloud technology. You'll find all these things in Siemens Xcelerator.

We and many partners are already working with the industrial metaverse. We planned one of our newest factories completely digitally, and only in a second step did we build it in the real world. Today, the factory produces 20 percent more than a conventionally planned facility.

We've teamed up with Nvidia to make working with digital twins even easier and more intuitive, through photorealistic simulations. The first project is a pilot together with BMW: a new factory for electric vehicles in Debrecen, Hungary.

But, of course, the industrial metaverse isn't just about production. It will also create new opportunities for us in the areas of infrastructure, transportation systems and healthcare.

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As you can see: to succeed, our strategy needs the right technologies. We're investing in innovation. For the long term and sustainably.

In fiscal 2022 alone, we invested €5.6 billion. And we intend to maintain this scale of investment. But naturally we don't simply send our inventors to the lab for a year, shut the door and hope they come up with something. We listen carefully to our customers. We cooperate with technology partners and startups. We work in ecosystems.

Because we need new ideas to tap new markets. Markets at the beginning of a growth curve.

Siemens needs both: large, mature businesses that make money, that generate cash flow.

And small businesses that are growing vigorously. Tomorrow's profit-makers.

Here are three exciting markets with growth rates of around 30 percent. Markets in which we're investing. Incidentally, in all three markets we're talking about sustainability.

First, electromobility. Over the next five years, this market will grow on average by about 30 percent a year. Siemens has a lot to offer. Chargers and suitable infrastructure for power grids. Because grids have to become smarter. One example: we've teamed up with our customer Ford to develop a charging station for the electric Ford F-150 Lightning. Linked to this station, the truck can supply a home with electrical power in a blackout. Another example from the U.S.: Siemens Financial Services is investing with Volkswagen in Electrify America. The company plans to more than double the number of its rapid-charging stations by 2026 – to 10,000.

Another market just beginning its growth curve and growing 25 percent a year: indoor farming. I mean the production of food in enclosed spaces – and I don't mean greenhouses.

Companies like 80 Acres Farms stack small growing beds on top of one another. For growing things like lettuce, herbs and tomatoes. The growth process literally pampers the plants: they have optimal conditions, light and nutrients. Compared to traditional farming, 300 times more food can be produced per square meter. The plants need 95 percent less water. And 80 Acres Farms gets by without any pesticides.

Within a few years, this startup wants to be feeding tens of millions of people. To grow faster, 80 Acres Farms has invested in automation from the start: Siemens supplies power systems, energy and building management systems, industrial automation – and yes, edge technology, too.

In indoor farming, the market potential for automation and digitalization alone is currently around €3 billion.

And yet another market that's at the onset of a growth curve: battery production. Demand will grow 30 percent a year until 2030. It's expected to be a US\$400 billion market. The boom in electric vehicles has triggered a boom for battery manufacturers. Siemens has long been a partner to many companies in this space. To Northvolt, for example. The company is currently building a new gigafactory for lithium-ion batteries in Sweden. Siemens is supporting Northvolt in planning this factory and building its production systems. With automation. And with cloud technologies.

Three markets at the beginning of a growth curve. Three markets where our technologies are needed. Three markets in which we're investing. And there are many more.

In addition, there are larger, more mature markets like semiconductor manufacturing. Many countries now want to expand their domestic production. We expect around 70 new semiconductor factories to be built globally in the short term. Today, the market we can serve with our offerings already totals around €12 billion.

Siemens has the right technologies for growth markets.

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The right strategy.

The right team.

More than 300,000 people from almost every country in the world.

One year ago at the Annual Shareholders' Meeting, I explained our aim: to grow steadily. Not only as a company, but also as people, in all our capabilities. At Siemens, we call this Growth Mindset.

Have you seen this growth today, too? Did you feel it? Think of Michael Taylor. He had to open a new door for himself. And in doing so, he stepped from a world of numbers into a world of welding machines and the smell of machine oil. Think of Efrossini Tsouchnika. Her business traditionally sells little boxes that control factories. Now, with the help of edge devices, she's bringing artificial intelligence to the factory floor.

Both of them are combining the real and the digital worlds.

As you can already see, a lot is changing at Siemens these days.

We're trying out more things. We're listening more. We're working together with our customers to determine what they need. We're giving one another more room for experimenting. We're empowering one another to take on greater responsibility. We're raising the clock speed. We're growing. As a company.

And as people.

At Siemens, a person can grow, learn and contribute, regardless of origin, skin color, gender or any of the other characteristics that make each of us so unique. Siemens has become a more diverse company – and our diversity is making us stronger. It's also part of our DEGREE framework. To take one example: we're further increasing the number of women in top management positions. Our target is 30 percent by 2025, and we've nearly reached it already.

We were talking about learning just now. At Siemens, we're learning more today than in the past. The number of learning hours has sharply increased: up 32 percent between 2019 and 2022. A quarter of that time focuses on the digital transformation. The training courses deal, for example, with cybersecurity, artificial intelligence, data analytics, cloud technologies, safety in the factory and in the office and – mandatory for everyone – compliance. The aim is to better recognize and develop personal strengths and better contribute to the team.

Incidentally, my personal training favorite is "Business models in ecosystems" – that is, developing and expanding successful businesses as a team and by communicating and exchanging ideas with many partners.

And what do my colleagues say about Siemens? Is it a good place to work? What's the overall atmosphere within the team? Is the salary suitable? Enjoying the work? And we regularly ask our people: "Would you recommend Siemens to a friend as a good place to work?"

The answers give us the so-called Employee Net Promoter Score. Three years ago, we were at 10. That's quite good. Values above 30 are considered outstanding. Today we're at 39.

We can also see how popular Siemens is by looking at the job applications. In 2022, we had more applicants than ever before: 3.2 million in our job portal, an increase of 30 percent. And that in times when skilled workers are scarce.

Automation. Software. Artificial intelligence. Yes. We can do it all. And we are. But Siemens is its people.

175 years ago we started out in a back courtyard in Berlin. Today, we're a global technology company. And our basic recipe hasn't changed all that much over the many years: we help our customers be successful. We research, we invent, we develop new technologies – and successfully market them. Innovations that protect the environment. Innovations that transform the everyday for billions of people.

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For more than 175 years, we've kept reinventing ourselves. With every generation. That's the constant in our history.

My colleagues, my Managing Board team and I, are right in the midst of this process. Like the generations before us, we're reinventing the company together. We're trying things out, we're learning, we're growing. With new technologies and new ways of working together.

What we can already say today:

Siemens combines the real and the digital worlds like no other company.

Siemens helps customers around the world become more sustainable.

And for me, Siemens is the 300,000 colleagues who are helping our customers transform the everyday for billions of people.

On behalf of the Managing Board, I'd like to thank all the people at Siemens. Thank you for your outstanding work and your great commitment.

What does that mean for you, our company's owners?

Siemens is growing. Siemens is growing profitably. Siemens is becoming more resilient.

In short: Siemens is one of the best technology investments.

Because we have:

The right strategy.

The right technologies.

And the right team.

Thank you!