Very successful start to fiscal 2022

Roland Busch, CEO Siemens AG
Ralf P. Thomas, CFO Siemens AG

SIEMENS

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).

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, occur or should underlying expectations including future events occur at a later date or not at all or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

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

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

Very successful start to fiscal 2022
Seizing market opportunities and managing impact from challenging environment

Business environment	Siemens' perspective
Secular growth trends decarbonization, automation, digitalization	• Strong demand across customer industries, excellent order momentum • Imbalanced seller's markets in product businesses drive pre-ordering • Mobility a structural winner for sustainable transport
Global supply chain constraints and shortages	• Demand outpacing supply leading to extended delivery times • Full focus to mitigate customer impact
Ongoing Covid-19 pandemic	• Employee health, safety and resilience top priority • Factory output and service delivery capacities maintained
Cost inflation	• Strong offering and technological leadership delivering customer value • Ability to balance cost inflation with pricing measures • High resilience through strong balance sheet

High performance across all metrics
Book-to-bill of 1.47 exceptional

Orders	Revenue	IB Profit margin
€24.2bn +42%	€16.5bn +9%	15.7%

EPS pre PPA	Free Cash Flow (all in)	Indust. Net debt/EBITDA
€2.24	€1.1bn	1.4x

Note: Orders and Revenue growth comparable

Focused technology company
Continuing optimization and sharpening of portfolio

Focusing Mobility on core rail business

YUNEX TRAFFIC – A Siemens Business → Atlantia

- Attractive purchase price €950m
- Closing expected by September 2022
- Expected pre-tax gain of €0.6bn - €0.8bn to be recorded in Mobility, immaterial tax impact

POC divests Parcel Logistics business

Siemens Parcel Logistics → KÖRBER

- Attractive purchase price €1.15bn, expected post-tax gain of €0.8bn - €1.0bn
- Closing expected during CY 2022
- Revenue ~€0.5bn (FY 22e), ~1,200 employees

Clean exit from Valeo Siemens joint venture

Valeo SIEMENS eAutomotive → Valeo

50% Stake

- Valeo to buy Siemens' stake in VSeA
- Profit impact of ~€0.3bn in Portfolio Companies to be booked in Q2 FY 2022
- Closing expected in July 2022

Empowering customers
Customers create sustainable future with Siemens' offerings

Digital Industries

Airbus: Accelerating development of commercial aircraft with Capital™ electrical/electronic (E/E) software

LG Energy Solution: Collaboration for **intelligent, leaner and cleaner battery production** with first project in Tennessee, U.S.

Smart Infrastructure

Ford: Electrifying best-selling **F150 truck** by co-developing **EV charger** with **residential backup power**

Morocco ONEE: Optimize grid management and leverage electricity consumption data with EnergyIP™ smart metering platform

Mobility

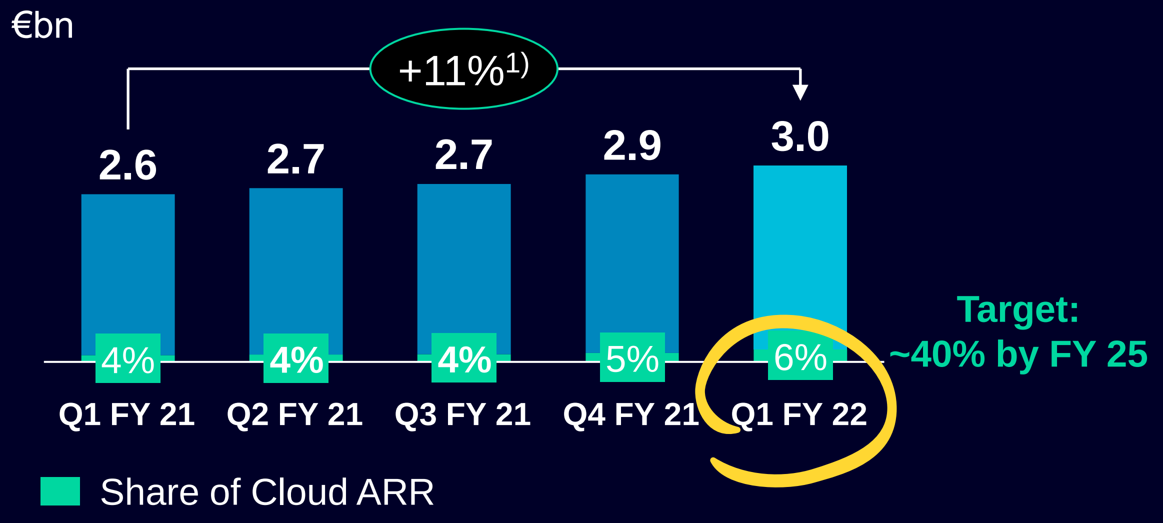
Deutsche Bahn Velaro MS: Expand capacities for sustainable transport with higher comfort and travel speed

Oslo Metro: Increased availability, safety and capacity with digitalized and automated train control system incl. 25-years service contract

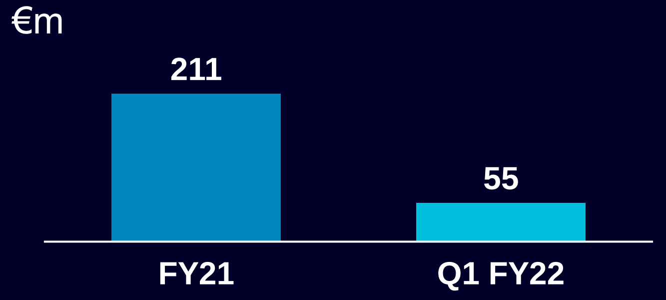
SIEMENS

Combining the real and digital worlds
SaaS transition progressing well according to plan

DI SW - Annual Recurring Revenue (ARR)



DI SW – Cloud investment



1) ARR revenue: FX comparable

Clear operational progress in Q1

- All **major products cloud enabled**, further **investments** for cloud native SaaS applications
- Ramp up of **cloud platform support structures** ongoing
- **Cloud ARR** increased to **6%, up 1ppt q-o-q**
- **~500 customers** have signed on to SaaS-model

Customer examples

LIEBHERR
SIMPLE
SAIC
NOVA Chemicals

SIEMENS

Focus on Sustainability
Stringent execution of DEGREE

Sustainability Report 2021 (Examples)

- **Decarbonization:** **36% reduction of CO_2 footprint** in **own operations since 2019**
- **Resource efficiency:** Strong starting point for **ecodesign**, implemented for **26%** of **relevant product families**
- **Equity:** **27.5% female** share in **top management, on track for 30% target**
- **Employability:** **Digital learning hours** more than doubled

Selected highlights from Q1

Employability

Strengthening bonds with employees

- Ramping-up growth programs to enhance skills & engagement and foster resilience
- People net promoter score at strong 36, even improving during pandemic
- Voluntary attrition at healthy ~5%

Decarbonization & Resource efficiency

Customer You Mawo eyewear

- Additive Manufacturing for tailor-made eyewear frames
- Glasses’ carbon footprint down by up to 58%

Dow Jones Sustainability Indexes

Governance

Ranked #1 in DJSI

- Most sustainable company in industry group
- Global leader in six categories, such as cybersecurity, innovation

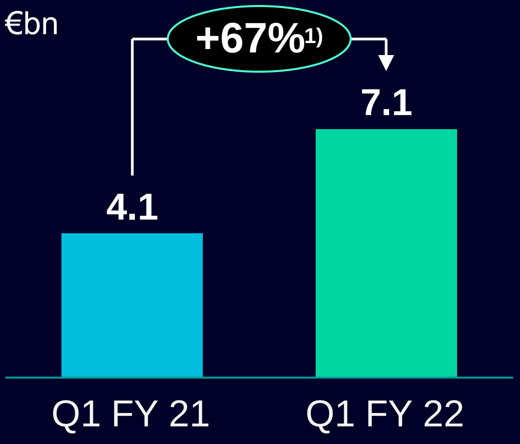
SIEMENS

Digital Industries (DI)

Strong performance, margin benefiting from wins in Software

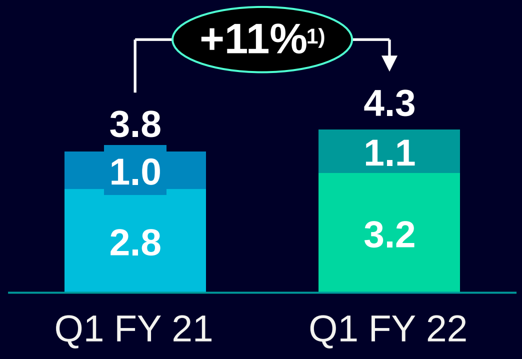
Orders

€bn



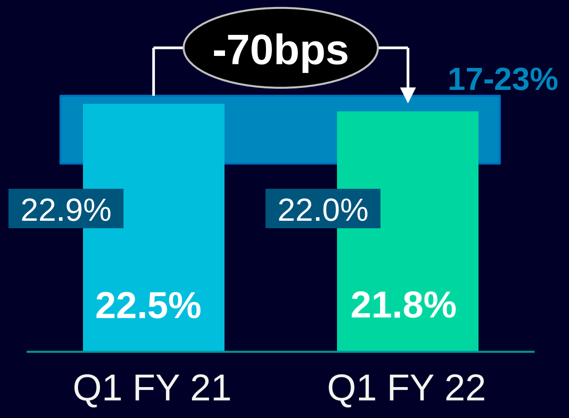
- Exceptional order momentum in short cycle business
- Customer pre-ordering due to extension of delivery times, price increases
- Record backlog >€10bn

Revenue



- Discrete Automation up 15%, constraints from capacity and supply availability
- Process Automation with clear growth
- Software growth broad based

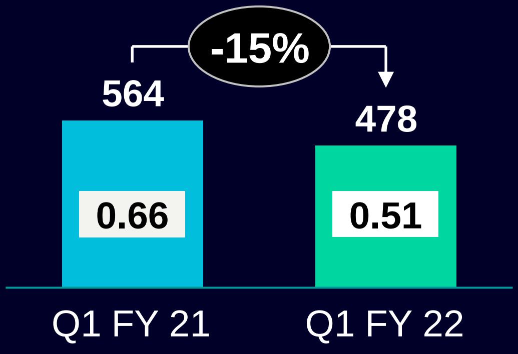
Profit Margin



- Strong profit conversion, cost structure improvements
- Positive FX effects of 50bps
- Software wins
- SaaS transition

Free Cash Flow

€m



- Solid performance
- Seasonality as expected due to bonus payments
- Higher inventories to secure stability of production

1 Comparable, excl. FX and portfolio

x.x x.x therein Software

x.x% Profit margin excl. severance

x.x Cash Conversion Rate

SIEMENS

Most verticals with healthy growth momentum

Vertical end markets	Revenue exposure	Market trend[1] Q4 21	Market trend[1] Q1 22
Automotive	20%	↗	↗
Machine Building	15%	↗	↗
Pharma & Chemicals	10%	↗	↗
Food & Beverage	10%	↗	↗
Electronics & Semiconductors	10%	↗	↗
Aerospace & Defense	5%	→	→

1 Y-o-Y industry revenue development based on industry production data from statistical office sources (e.g. NBoS, US Fed, Eurostat)

Extraordinary order dynamics in automation across regions and businesses

Q1 FY 22 – Key regions
Automation (excl. Software)

	Orders	Revenue	
China	+78%	+15%	Exceptional order growth in Discrete and Process
Germany	+62%	+14%	Topline momentum continued, orders exceptional
Italy	+155%	+30%	Extraordinary orders and strong revenue growth on easy comps
U.S.	+38%	+6%	Discrete and Process orders picking up

Q1 FY 22 – Software

	Orders	Revenue	
Global		+7%	Mendix, PLM and EDA contributing to growth

Note: Growth rates Comparable, excl. FX and portfolio

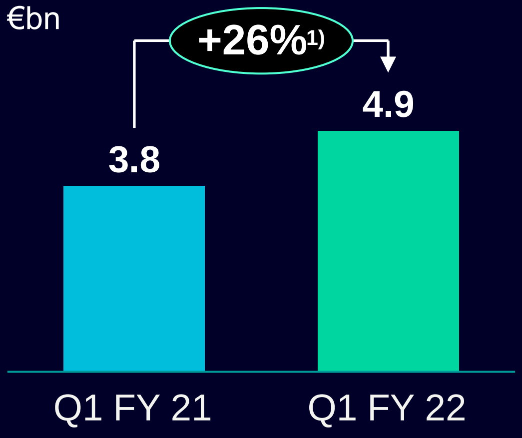
SIEMENS

Smart Infrastructure (SI)

Strong top-line, favorable margin expansion trajectory continues

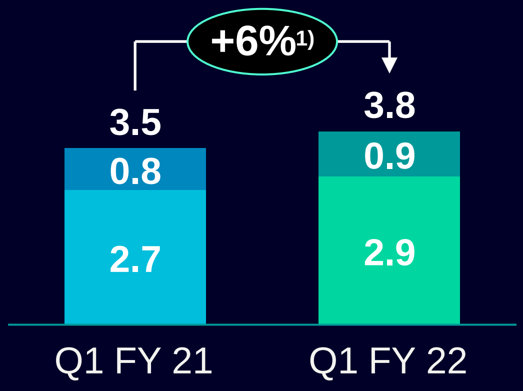
Orders

€bn



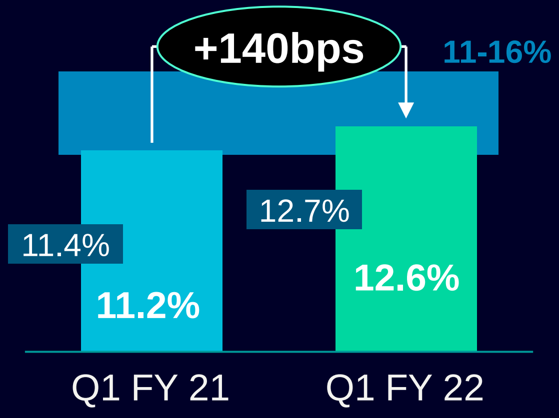
- Electrical Products ~40% up Electrification ~30% up
- Large wins in semiconductor and datacenter vertical in US
- Buildings up double-digit
- Backlog ~€12bn

Revenue



- Electrical products with significant growth
- Buildings moderately up
- Electrification with modest growth
- Service business up 6%

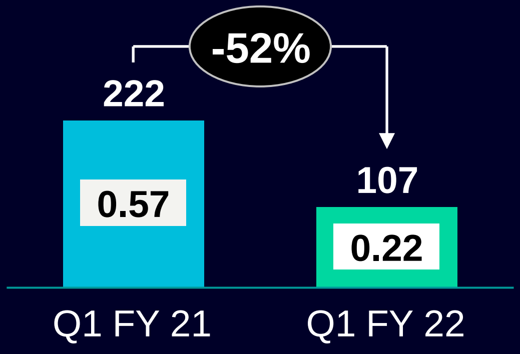
Profit Margin



- Higher capacity utilization & improved cost position from competitiveness program
- Increased share of higher margin Electrical Products
- Material cost inflation mostly mitigated through pricing

Free Cash Flow

€m



- Seasonality as expected also due to bonus payments
- Higher inventories to secure stability of production

1 Comparable, excl. FX and portfolio

x.x x.x therein Service

x.x% Profit margin excl. severance

x.x Cash Conversion Rate

SIEMENS

Smart Infrastructure (SI)

Broad based order strength

Electrical Products business drives revenue growth across regions

Q1 FY 22 – Key regions	Orders	Revenue	
China	+20%	+3%	Revenue up on Buildings and Electrical Products
Germany	+16%	+5%	Strength in Electrical Products and Electrification
EMEA excl. Germany & Middle East	+18%	+9%	Broad based growth across all businesses
U.S.	+37%	+5%	Large orders in Electrification and Electrical Products

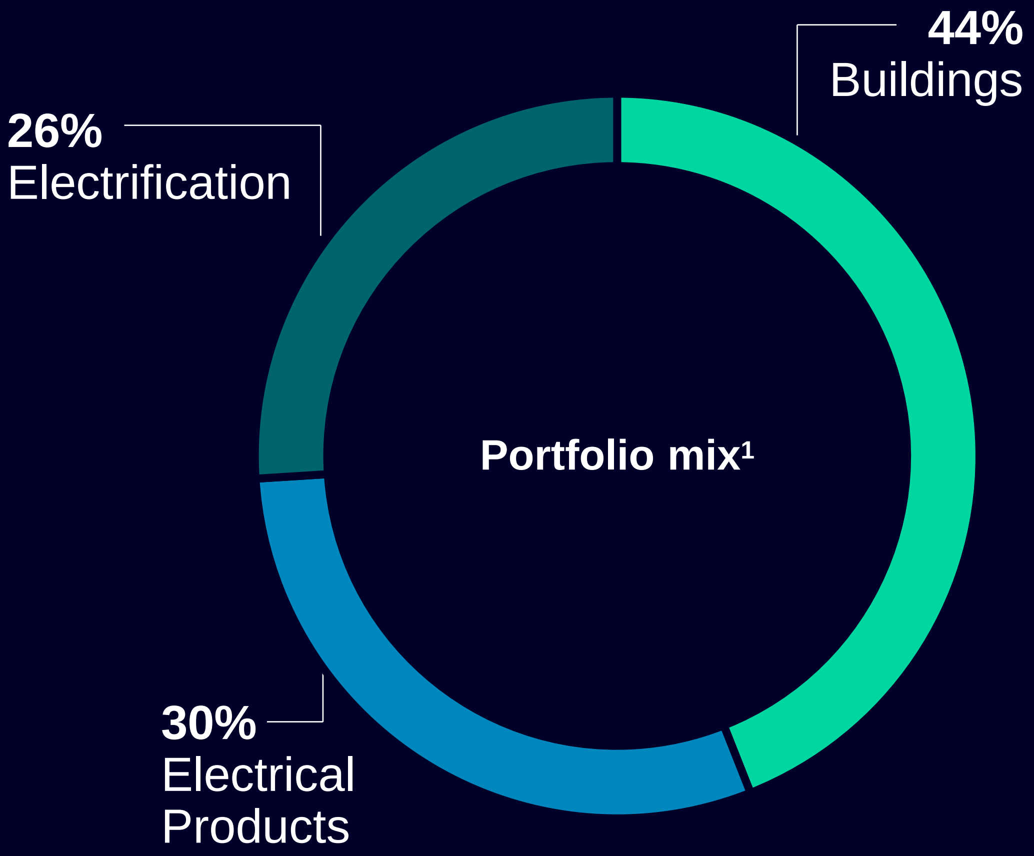
Q1 FY 22 – Service		
Global	+6%	Broad based growth across all regions

Note: Growth rates Comparable, excl. FX and portfolio

SIEMENS

Smart Infrastructure (SI)
Improved market momentum

Q1 FY 22 – Revenue Split



Market developments

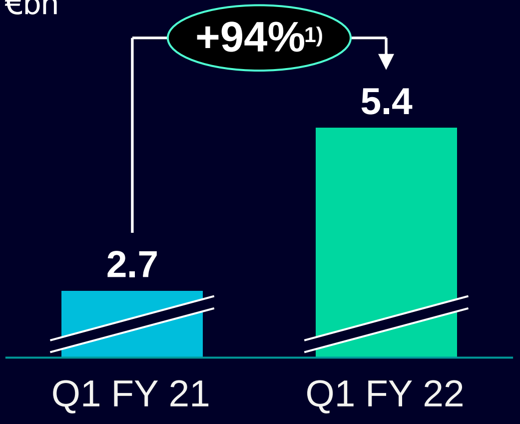
- **Electrical Products** markets with strong growth throughout the year – driven by **exceptional customer demand**
- **Electrification markets** with **solid growth** – driven by **renewable energy integration trend, increasing electricity needs** and **high energy cost**
- **Building markets momentum intact** – headwinds from US non-residential construction market and delays of stimulus from governmental infrastructure programs

1 Portfolio mix split based on unconsolidated revenues

SIEMENS

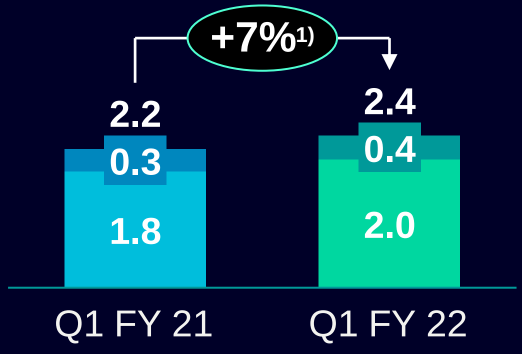
Mobility (MO)
Orders at all-time high level, stringent execution as expected

Orders
€bn



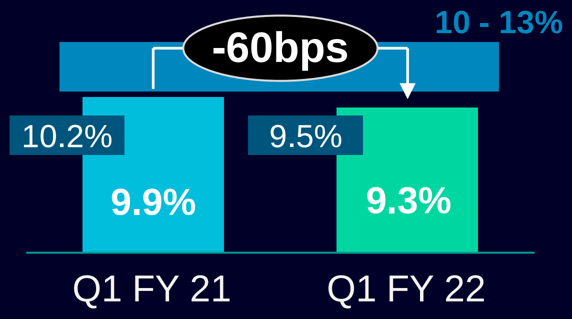
- Large orders across portfolio
- Attractive order profile along strategic priorities: Rolling Stock platforms, Signaling, Service
- Backlog at €39bn; therein Service €12bn, up 13%1) y-o-y

Revenue



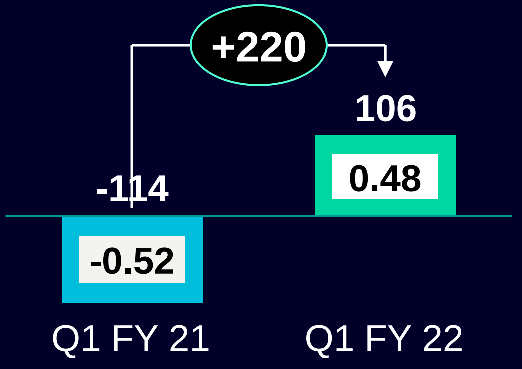
- Strong project execution
- Clear growth in Rolling Stock and Rail Infrastructure
- Service up 5%

Profit Margin



- Consistent profitability, industry leading
- Less favorable mix in Rail Infrastructure and Sqills transaction cost

Free Cash Flow
€m



- Solid start on stringent cash collection and milestone payments
- Expect balanced cash conversion in fiscal 2022

1 Comparable, excl. FX and portfolio

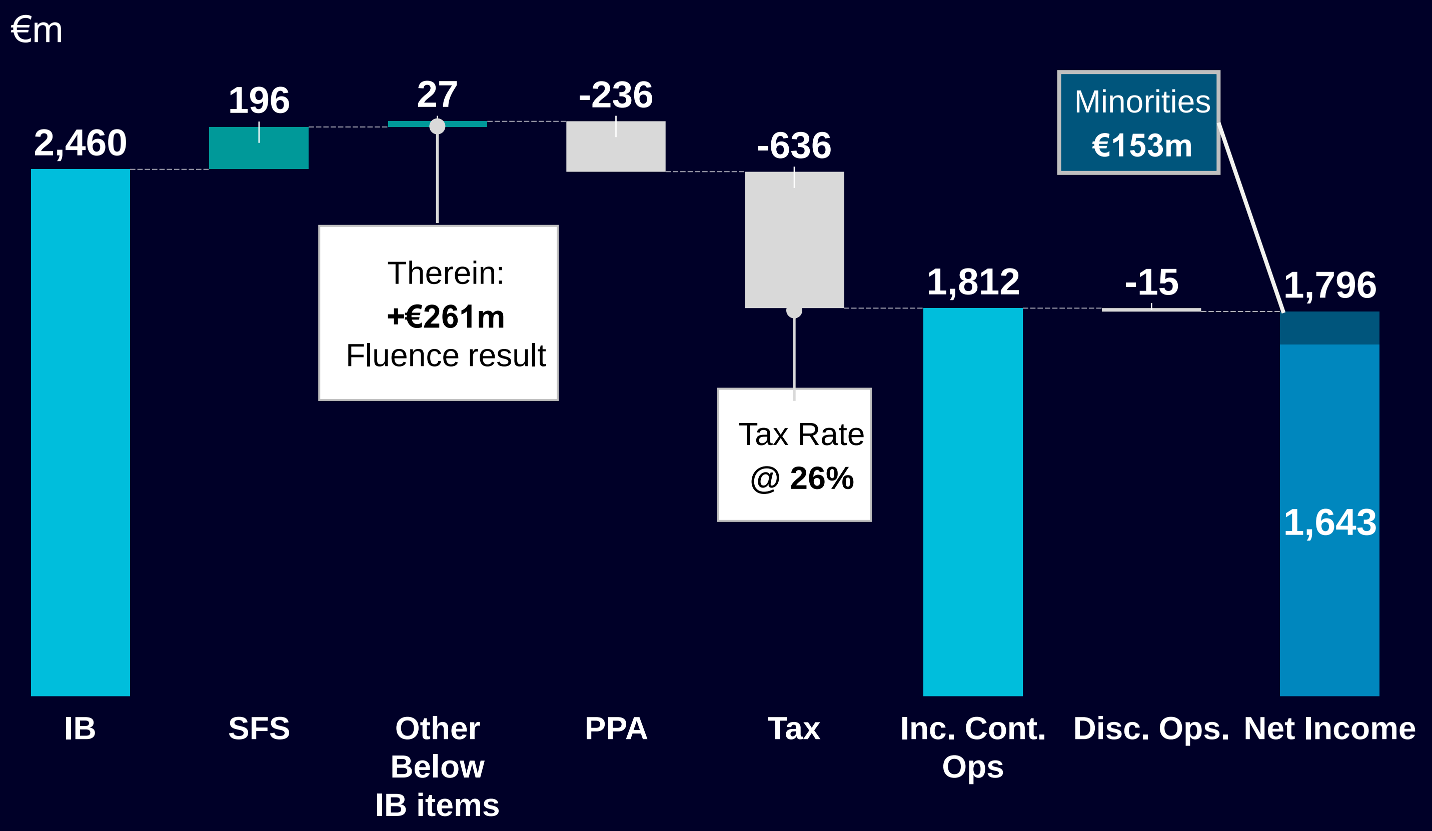
x.x x.x therein Service

x.x% Profit margin excl. severance

x.x Cash Conversion Rate

Below Industrial Business
Strength in SFS and POC; burdened by Siemens Energy Investment

Q1 FY 22 – Performance Below IB



- **SFS:** Excellent profit contribution benefiting from favorable credit environment and strong equity business

Other Below IB items

- **Portfolio Companies:** Positive contribution with profit of fully consolidated units more than offsetting negative effect from Valeo Siemens JV
- **Siemens Energy Investment:** Performance unsatisfactory

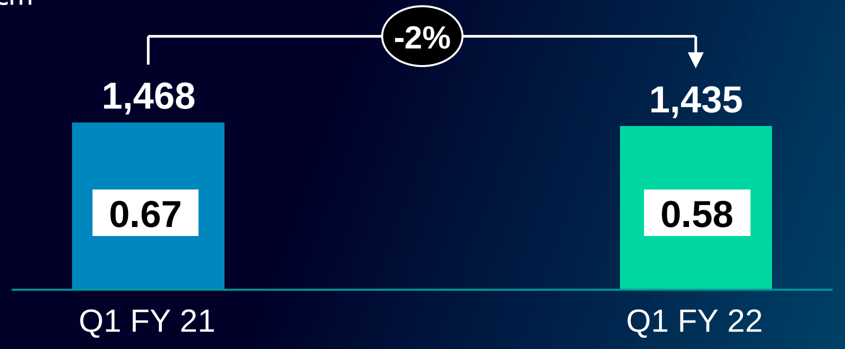
Note: Other Below IB items contains POC; SE Investment; SRE; Innovation; Governance; Pensions; Financing, Elimination, Other
Detailed split see page 22

SIEMENS

Free cash flow
Consistent and balanced performance

Industrial Businesses

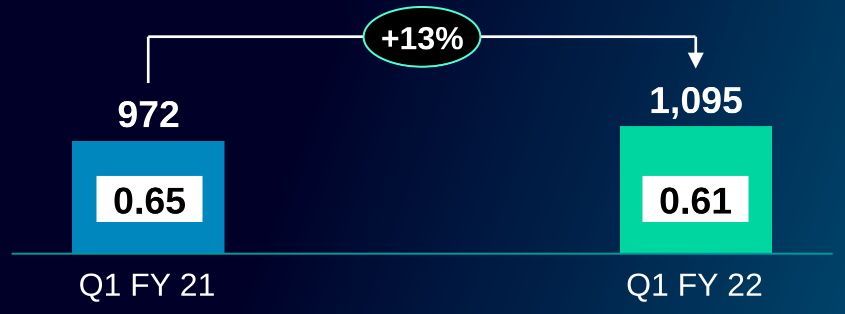
€m



- Solid start in line with seasonal pattern as expected
- Inventory build up in operating working capital
- All businesses contributing to free cash flow; Siemens Healthineers with excellent conversion of 0.92

All in

€m



- Clear improvement over prior year quarter
- Continuing strong cash focus across all Siemens units

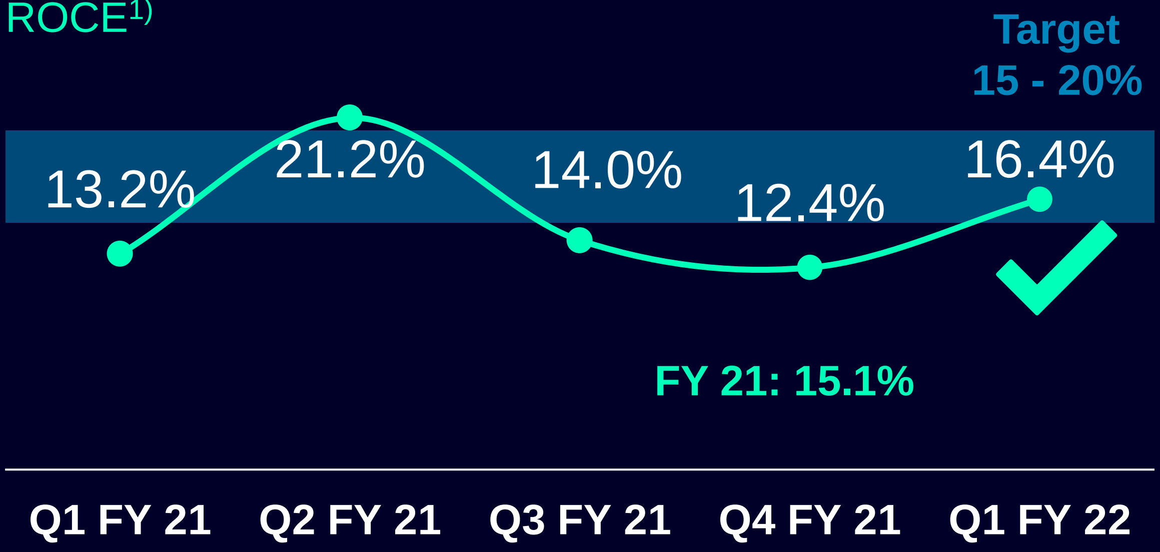
x.x Cash Conversion Rate

SIEMENS

ROCE and capital structure ratio
Further improvement and well in target range

Capital efficiency

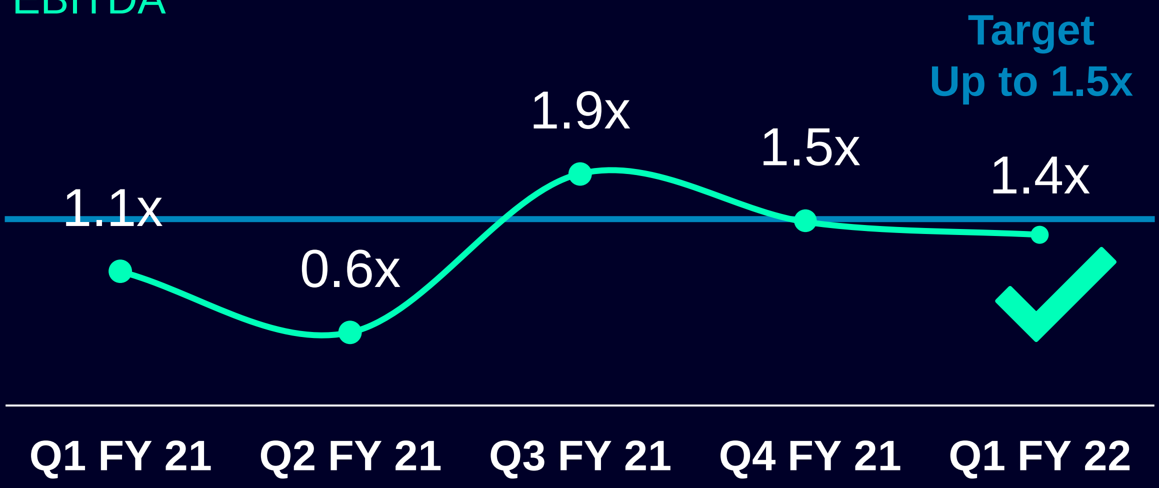
ROCE[1)]



- Strong start due to **substantially higher net income, within target range**
- **Continued focus** on profitable growth and effective cost and working capital management

Capital structure

Industrial net debt/
EBITDA



- **Further deleveraging** throughout fiscal 2022 expected
- **Pension deficit** on low level of €2.9bn
- **Excellent** position for **refinancing** due to **strong investment grade rating (A+ / A1)**

1 excluding defined acquisition-related effects for Varian

SIEMENS

Outlook FY 2022 confirmed

FY 2022 Siemens Group

Book-to-bill	>1
Revenue growth (Comparable)	Mid-single digit
EPS pre PPA	€8.70 – €9.10 [FY 2021: €8.32]

This outlook excludes burdens from legal and regulatory issues.

FY 2022 Framework Siemens Businesses

	Comparable revenue growth	Profit margin
Digital Industries	5 – 8%	19 – 21%[1)]
Smart Infrastructure	5 – 8%	12 – 13%
Mobility	5 – 8%	10.0 – 10.5%

1 therein impact from SaaS transition of up to 200 bps

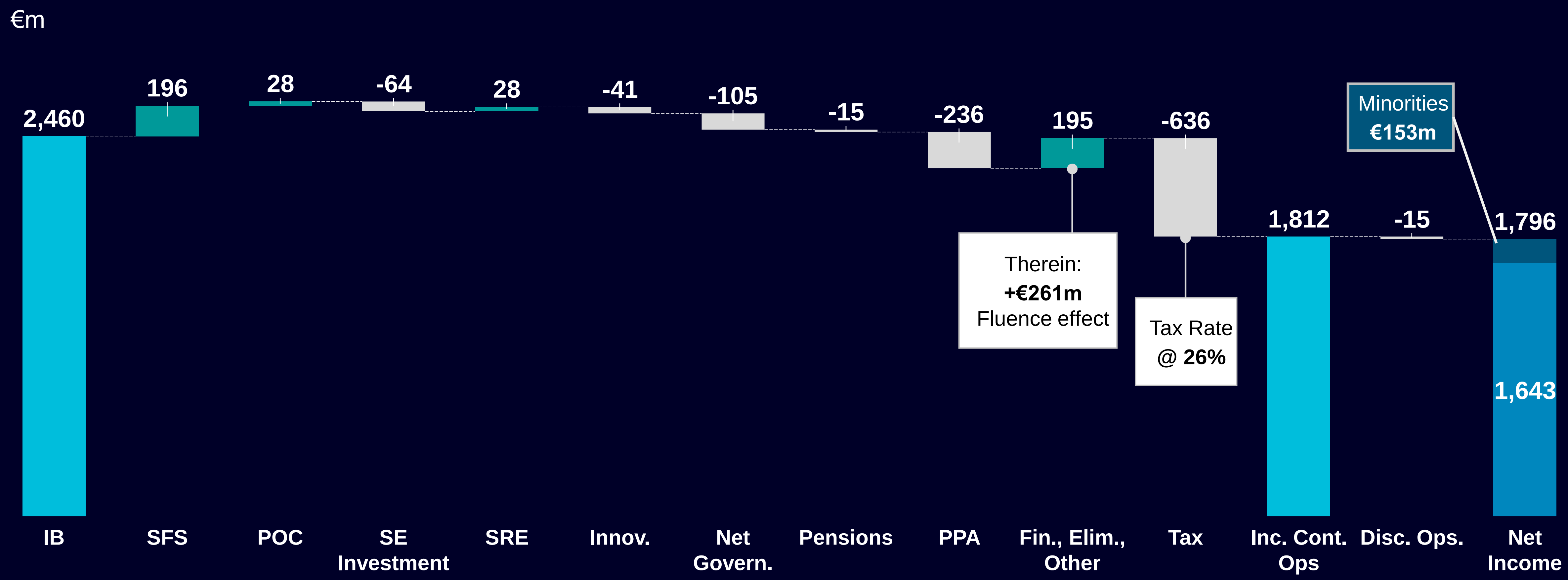
SIEMENS

Appendix

SIEMENS

Below Industrial Business
Strength in SFS and POC; burdened by Siemens Energy Investment

Q1 FY 22 – Performance Below IB

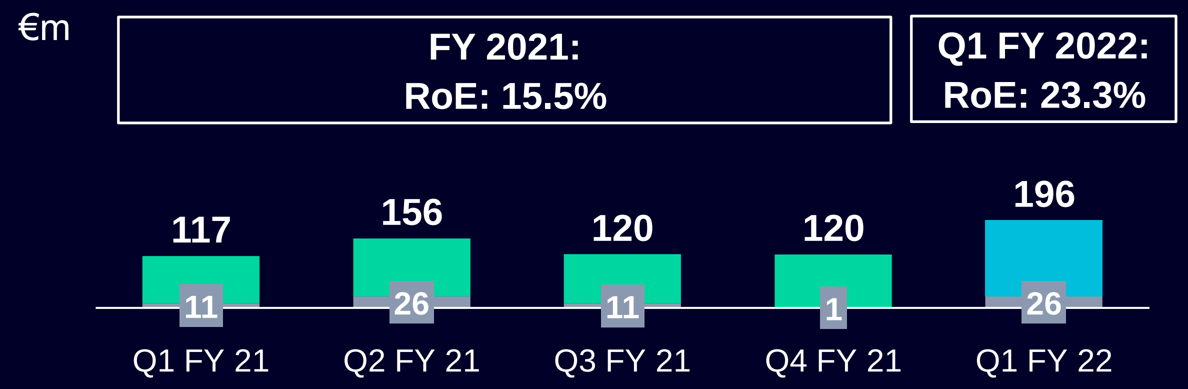


SIEMENS

Siemens Financial Services (SFS)

Favorable credit environment and high energy prices support strong profitability

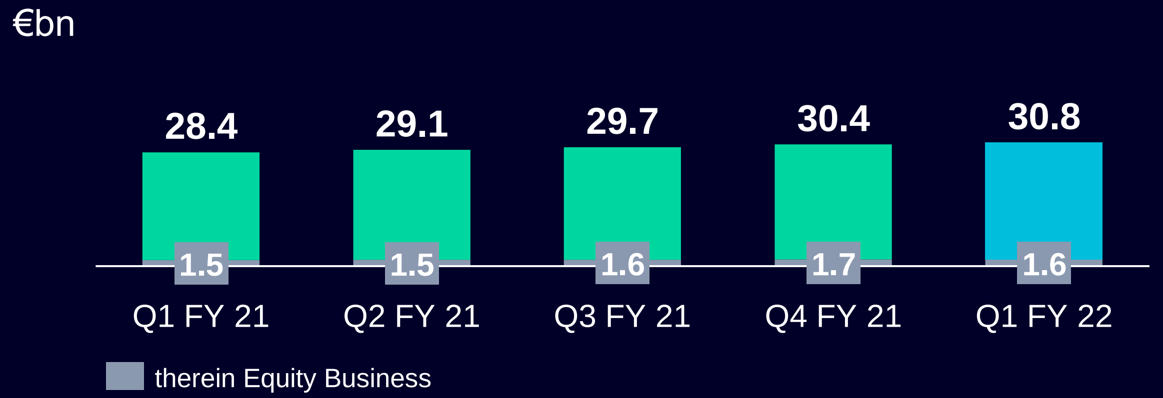
Earnings before Taxes (EBT)



High earnings from debt business driven by a **favorable credit environment**

Equity Business benefited from **strong at-equity results due to higher energy prices**

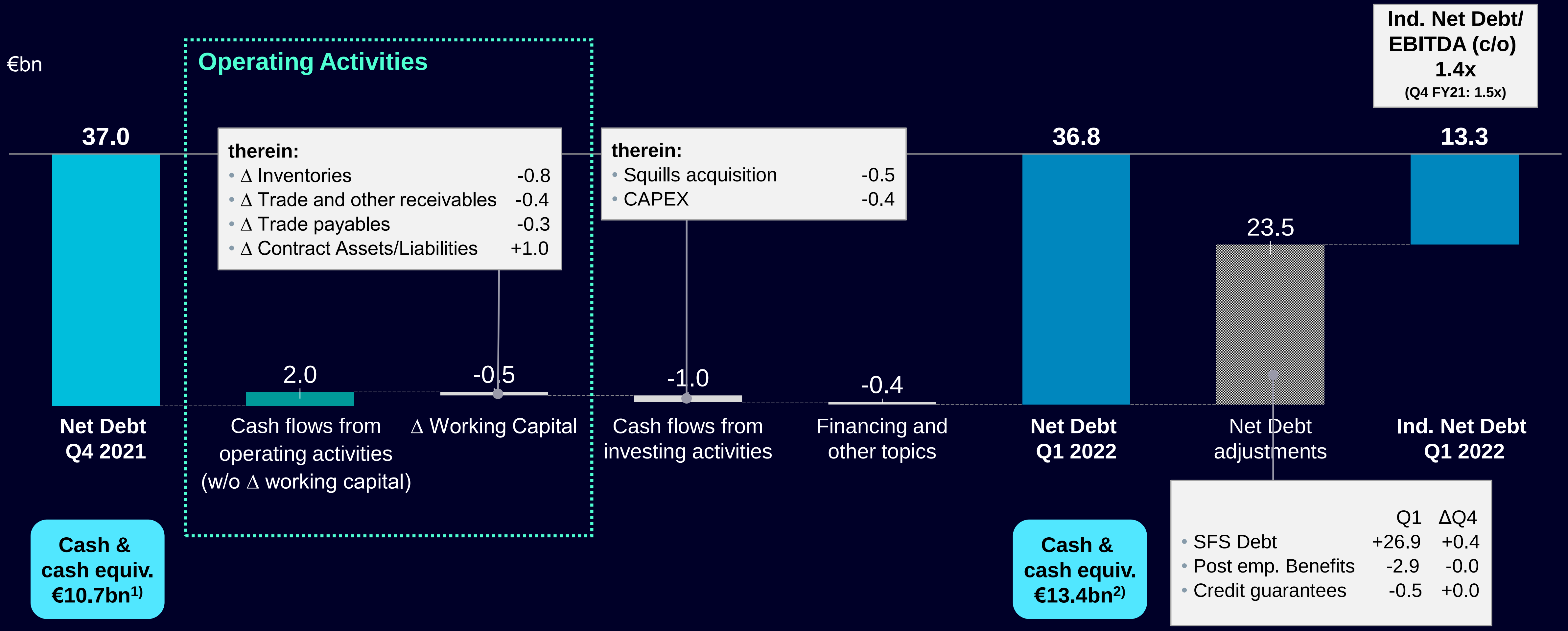
Total Assets



Slight increase in **total assets q-o-q** mainly due to currency effects

SIEMENS

Net debt bridge
Q1 FY 2022



1 Sum Cash & cash equivalents of €10.7bn incl. current interest bearing debt securities of €1.1bn
2 Sum Cash & cash equivalents of €13.4bn incl. current interest bearing debt securities of €1.2bn

SIEMENS

Provisions for pensions remain stable in Q1

in €bn[1]	FY 2019	FY 2020	Q1 FY 2021	Q2 FY 2021	Q3 FY 2021	Q4 FY 2021	Q1 FY 2022
Defined benefit obligation (DBO)[2]	-40.3	-35.8	-37.1	-35.6	-35.9	-35.5	-35.7
Fair value of plan assets[2]	31.3	30.0	32.5	32.7	33.6	33.5	34.0
Provisions for pensions and similar obligations	-9.9	-6.4	-5.0	-3.3	-2.9	-2.8	-2.9
Discount rate	1.3%	1.1%	0.7%	1.2%	1.1%	1.3%	1.2%
Interest income	0.6	0.1	0.1	0.1	0.1	0.1	0.1
Actual return on plan assets	3.2	0.1	1.7	-0.3	1.1	0.0	0.3

1 All figures are reported on a continuing basis
2 Difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q1 2022: +€1.1bn); DBO including other post-employment benefit plans (OPEB) of -€0.3bn

Profit Bridge from SHS disclosure to SAG disclosure
Different profit definitions at SHS and SAG to be considered in models

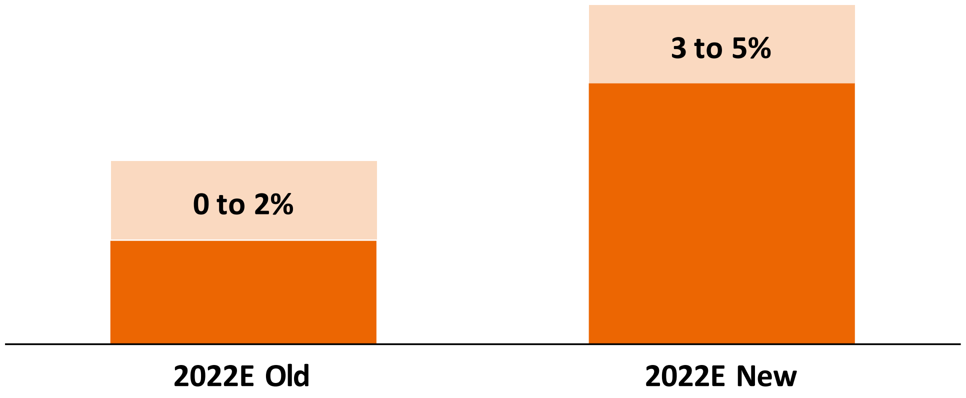
€m	Q1 FY22	
SHS EBIT (adjusted)	**898**	**17.6%**
PPA (SHS logic)[1]	-175	
Transaction, Integration, Retention, carve-out cost	-15	
Gains and losses from divestments	+1	
Severance	-18	
SHS EBIT (as reported)	**692**	**13.6%**
PPA (SAG logic)[2]	+106	
Consolidation / Accounting Differences	+12	
SAG Profit (as reported)	**810**	**16.0%**
Severance	**+18**	
SAG Profit (excl. severance)	**828**	**16.3%**

1 PPA on intangible assets as well as other effects from IFRS 3 PPA adjustments
2 PPA on intangible assets

Outlook FY2022 raised

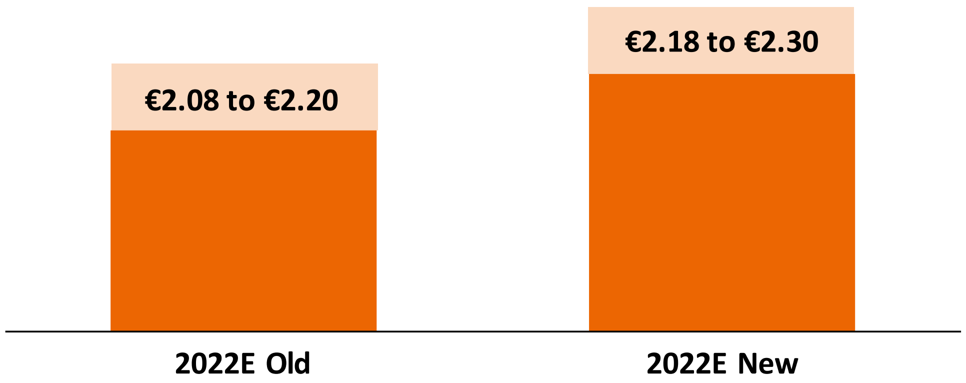
SIEMENS Healthineers

Comparable revenue growth



- **Diagnostics** with low-single digit negative growth (before: mid-teens negative growth), rapid antigen revenue assumed at ~€700m in FY22 (before: €200m)
- All other segments unchanged

Adj. basic earnings per share



- **Diagnostics** margin in the low teens (before: in the high single-digits)
- All other segments and items unchanged

Note: The outlook is based on current foreign exchange rate assumptions, on the current portfolio and on further assumptions, see Quarterly Statement Q1 FY2022

Siemens Financial Framework
Targets over 3 – 5 year cycle

Siemens

5–7%	**Revenue** comparable growth
High single-digit growth	**Earnings** EPS pre PPA
15–20%	**Capital efficiency** ROCE[1]
up to 1.5x	**Capital structure** Industrial net debt/EBITDA
1 – comp. revenue growth rate	**Cash** Cash conversion rate (all in)[2]
Progressive dividend policy	**Dividend**

Businesses

	Digital Industries	Smart Infrastructure	Mobility	Siemens Healthineers	Financial Services
Profit margin range[3]	17–23%	11–16%	10–13%	17–21%	RoE[4] 15–20%
Cash conversion rate	1 – comp. revenue growth rate				
Resilience KPI	ARR	Service	Service		

1 Excluding Varian-related M&A effects 2 Cash conversion rate: FCF/Net income 3 "Profit" represents EBITA adjusted for amortization of intangible assets not acquired in business combinations; margin range for Siemens Healthineers reflects Siemens' expectation 4 Return on equity after tax

SIEMENS

Business and financial media

Florian Martens	+49 162 230 6627
Simon Friedle	+49 1525 215 9076
Daniela Markovic	+49 172 699 8785
Internet	siemens.com/press
Email	press@siemens.com

SIEMENS