

# Continued profitable growth and excellent free cash flow

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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.

## Q3 Business highlights

### Continued profitable growth and excellent free cash flow

#### Strong topline

- **Clear revenue growth:** DI, SI and Mobility all up double-digit
- **Competitive strength:** DI Automation revenue up 15%, SI Electrification up 22%
- **SI robust demand, Mobility large orders, while DI normalizing:** Book-to-bill 1.28

#### Stringent execution

- **Strong conversion:** Industrial Business profit at €2.8bn
- **Excellent free cash flow:** €3.1bn for Industrial Business, CCR of 1.14
- **SaaS-transition fully on track:** ARR up 14%, Cloud ARR now close to €1bn

#### Consistent strategy

- **Leverage opportunities:** Secular trends and major investment programs
- **Strategic investments of €2bn:** Boost future growth, innovation & resilience
- **Portfolio optimization:** Innometrics brand launch, SE-stake lowered to 25.1%

# Q3 Key Financials

## Orders



## Revenue



## IB Profit margin



## EPS pre PPA



## Free cash flow



## Indust. Net debt/EBITDA

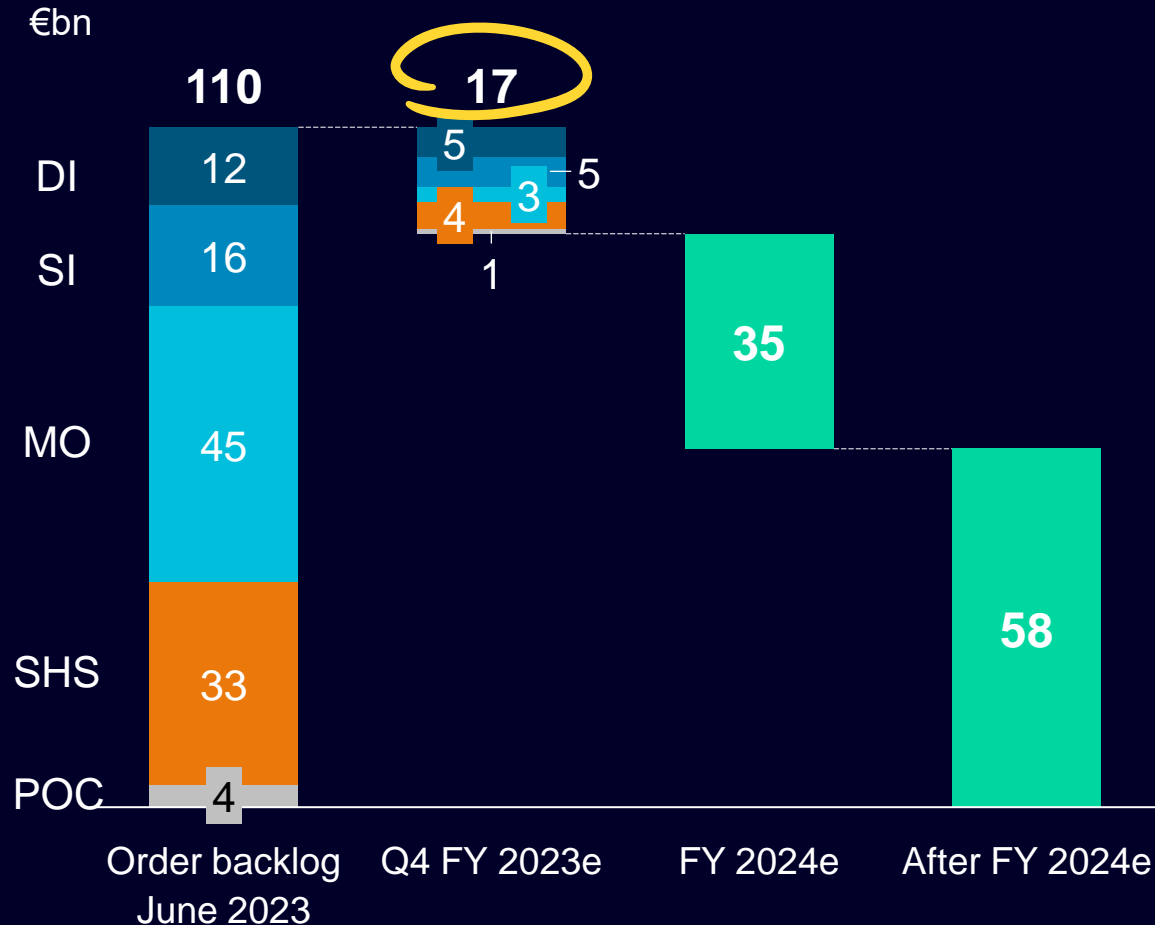


Note: Orders and Revenue growth comparable

# Further growing order backlog at all-time high

## Stringent execution to leverage normalizing supply chains

### Expected revenue generation from backlog



### Proven execution strength

- Strong commercial activity in systems, solution and service business
- Supply chains mostly back to normal
- Healthier lead times for product businesses in DI and SI
- DI order normalization, continuing destocking
- Mobility backlog rising on record orders

# Secular trends drive material investments in automation, digitalization and sustainability

## Implementation speed is decisive

### Labor shortage



#### Labor force reduction (2022 – 2040)

Source: S&P 2023

 -81 million

 -7 million

 -1.3 million

### Glocalization



Inflation Reduction Act



Chips & Science Act



Made in China 2025



Make in India



European Green Deal



European Chips Act

### Resource scarcity



#### Circular economy

30% of global greenhouse gas emissions in industry

37% of energy consumption

## Sufficient transformation speed only through Automation & Digitalization

# Targeted investment strategy of ~€2bn to boost future growth, innovation and resilience

## Expanding global high-tech manufacturing, innovation labs and education centers

### Capacity expansion in Asia

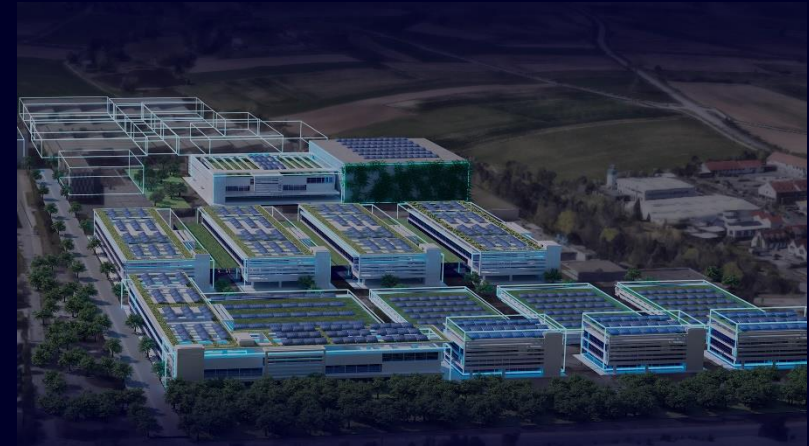


- New **high-tech factory** for DI Factory Automation in **Singapore**
- **Start of production** in H2 2025
- Growing demand in Southeast Asia
- **~€200m investment**, highly automated and digitalized
- **~400 jobs**



- **Expansion of twin factory** in **Chengdu** by **40% capacity** and new digital innovation center in **Shenzhen**
- **Local for local** growth opportunities
- Chinese customers as **early adopters** for new technologies
- **~€140m investment, 400 jobs**

### Germany - Blueprint for industrial metaverse



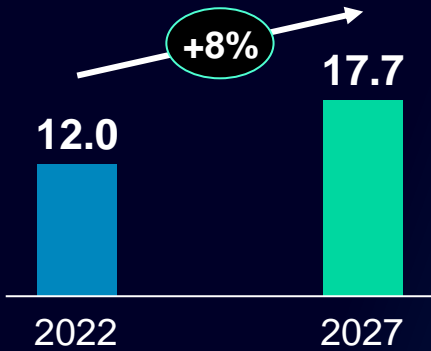
- **New net-zero emission Technology Campus** in **Erlangen**
- **Nucleus** of digital technologies in the industrial metaverse to revolutionize production – **more efficiently, flexibly, sustainably**
- **~€500m investment** in expansion of **development** and **manufacturing** capacities, step-wise approach until 2027 & 2029
- **Conversion of existing site** for **power electronics components** and **machine tool controls**
- **Strong ecosystem** of **partners** and **universities**

# Winning in data centers through a tailored vertical approach

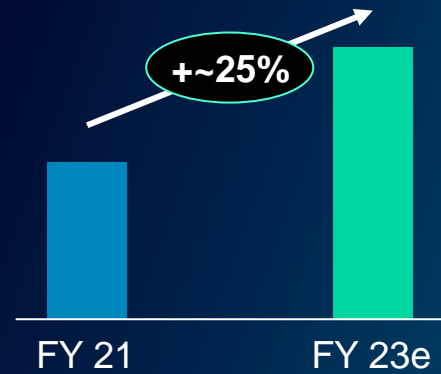
## Accelerating use of AI applications drives data center investment

### Gaining market share in an attractive market ... .. by matching customer requirements

Addressable market  
in €bn



CAGR Revenue (comparable)  
Data center vertical



### Siemens value proposition

- Holistic standards and customized offering for automation & electrification
- Lifecycle approach incl. services
- Financing solutions
- Global key account management and centers of competence



### Key decision criteria for data center customers

- Highest reliability and best quality
- Short construction cycles
- SLA compliance
- Cost optimization, e. g. energy supply and efficiency
- Sustainability impact



**Greenery**  
Data Centers  
Tallinn, Estonia

Most sustainable data center in the Baltics



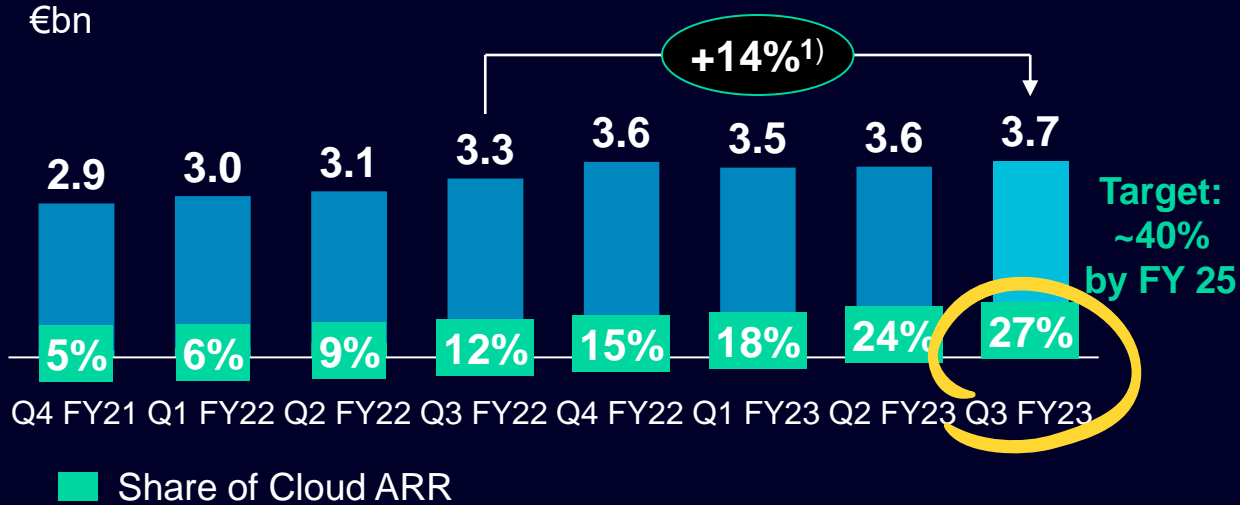




# Combining the real and digital worlds

## SaaS transition fully on track, Cloud ARR reaching almost €1bn

### DI SW – Annual Recurring Revenue (ARR)



### Cloud ARR:

- Up >2.5x y-o-y to almost €1bn

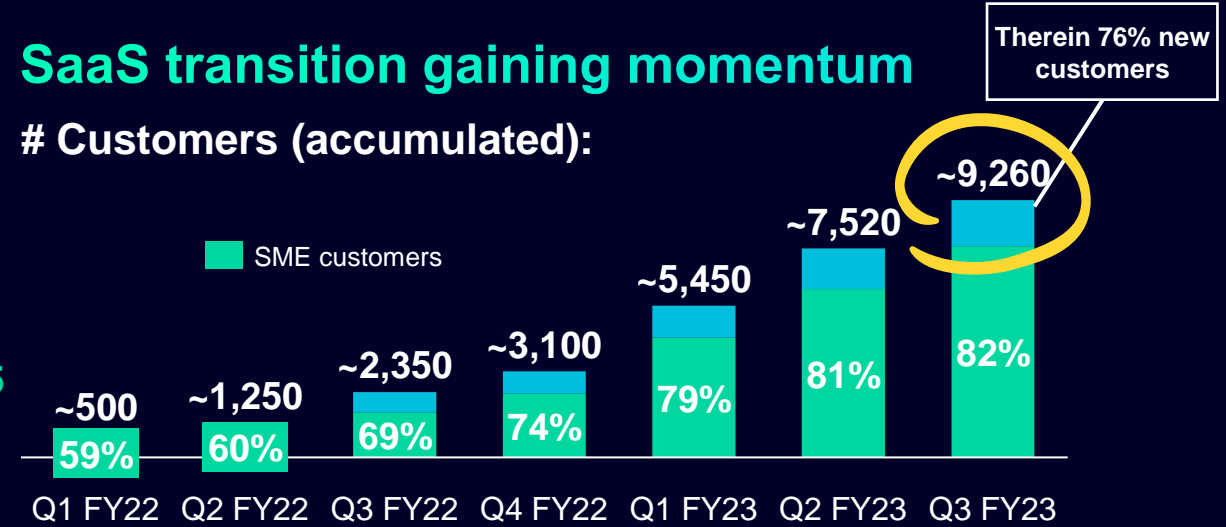
### Cloud invest:

- €215m in Q3 YTD FY23 | FY23: targeted invest ~€300m

1 ARR revenue: FX comparable

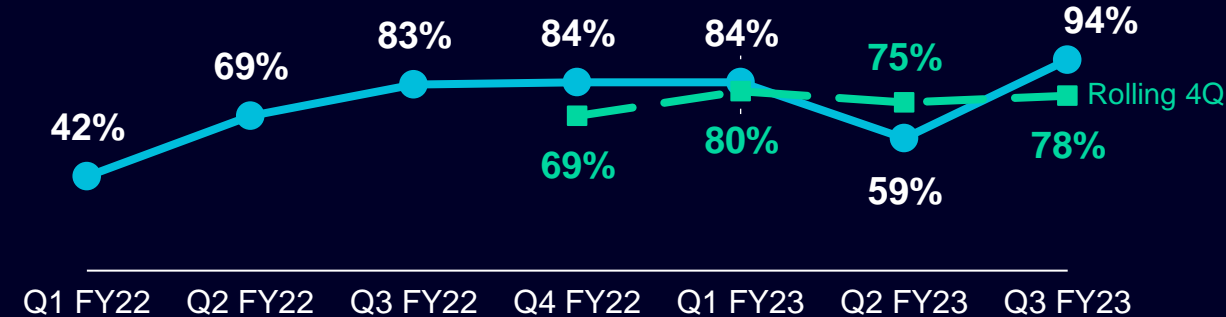
### SaaS transition gaining momentum

#### # Customers (accumulated):



### Customer transformation rate to SaaS:

Share of renewals based on total contract value (TCV)



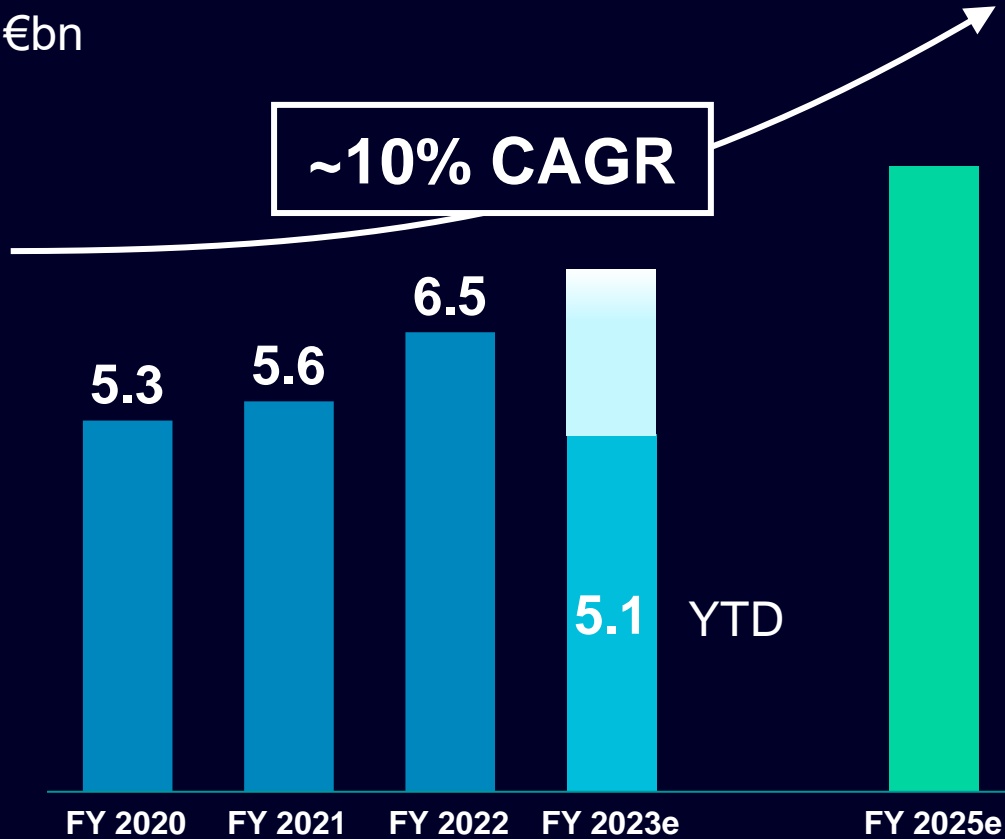


# Combining the real and digital worlds

## New offerings for Siemens Xcelerator portfolio delivering customer value

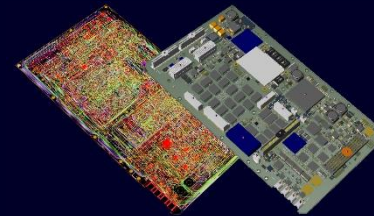
### Revenue Digital Business<sup>1</sup>

€bn



### Innovative Siemens Xcelerator offerings

#### Digital Industries



- Integration of Supplyframe Design-to-Source Intelligence platform for global electronics in EDA offering
- **Real-time supply chain visibility** for digital twin

#### Smart Infrastructure



- **LV Insights X software** to actively manage low-voltage grids (SaaS)
- **Digital twin of LV grids** to reduce outage times, optimize workflows and increase capacity

#### Mobility



- Acquisition of **Optrail S.r.l** adding to future Xcelerator offerings
- Unique algorithms to expand **real-time Train Planning Systems** and boost efficiency of train operations

<sup>1</sup> "Digital Business" means Siemens vertical specific software and IoT and Digital services from Smart Infrastructure, Digital Industries, Mobility, Siemens Advanta; unconsolidated values



# Drive sustainability building on strong domain know-how and core technologies

## Close collaboration for superior customer value

### Pfizer (Pharma)



**40% less energy consumption**

Energy efficient, digitally optimized high containment facility, connecting building and production management systems

### Transpennine Trains



**€0.5bn order  
51 trains**

Long-term maintenance for digitally upgraded train fleet using Railigent X to optimize availability & passenger experience

### Maeve (Aerospace)



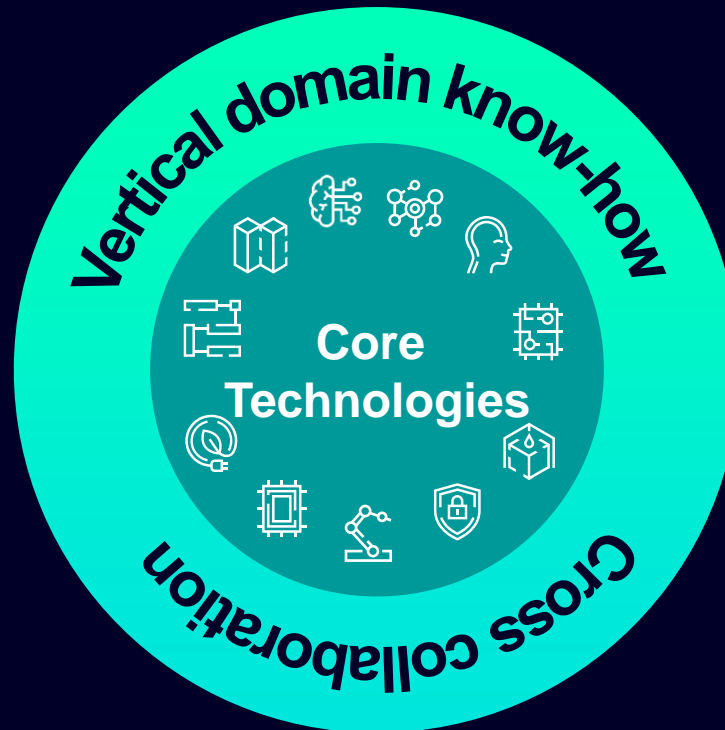
**30% less operating costs**

Development of next generation all-electric, zero emissions commuter aircraft using Xcelerator design and simulation portfolio

### S-Bahn Munich



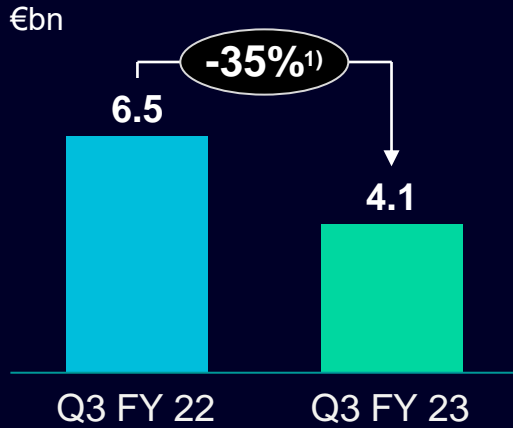
**€2.1bn order  
90 trains, >1,800 passengers each**



# Digital Industries (DI)

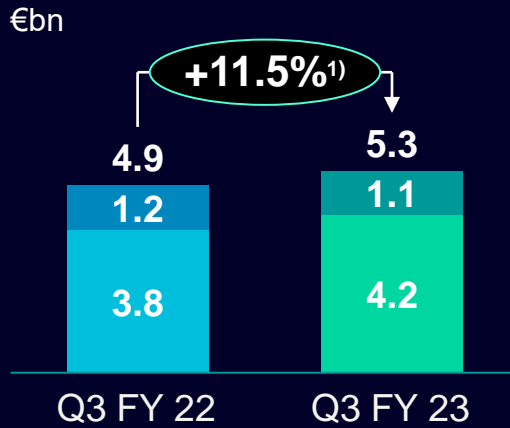
Continued demand normalization on accelerated level, strong margin & cash conversion

## Orders



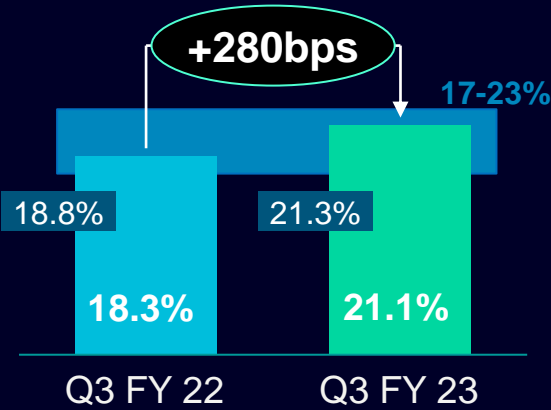
- Accelerated normalization of Automation demand
- Expedited destocking
- SW up mid-single digit
- Book-to-bill at 0.77
- Backlog of €12.5bn

## Revenue



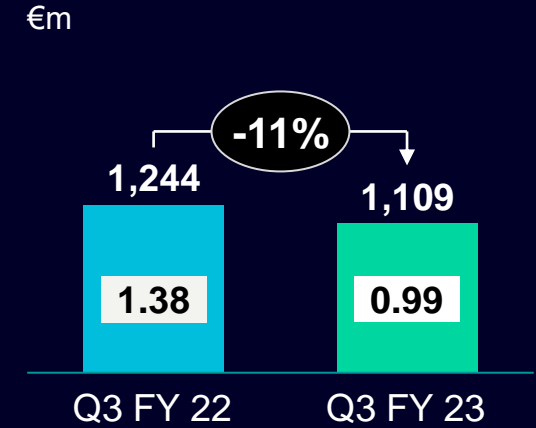
- Process Automation up 19%
- Discrete Automation up 14%, broad-based
- PLM Software up low teens, EDA shift of large contract renewals into Q4

## Profit margin



- Net positive economic equation
- High capacity utilization
- Favorable product mix on eased supply chains
- SaaS transition well on track

## Free cash flow



- Another €1bn+ quarter
- Strong cash conversion
- OWC still on elevated level to safeguard revenue growth

<sup>1</sup> Comparable, excl. FX and portfolio

x.x x.x therein Software

x.x% Profit margin excl. severance

x.xx Cash Conversion Rate

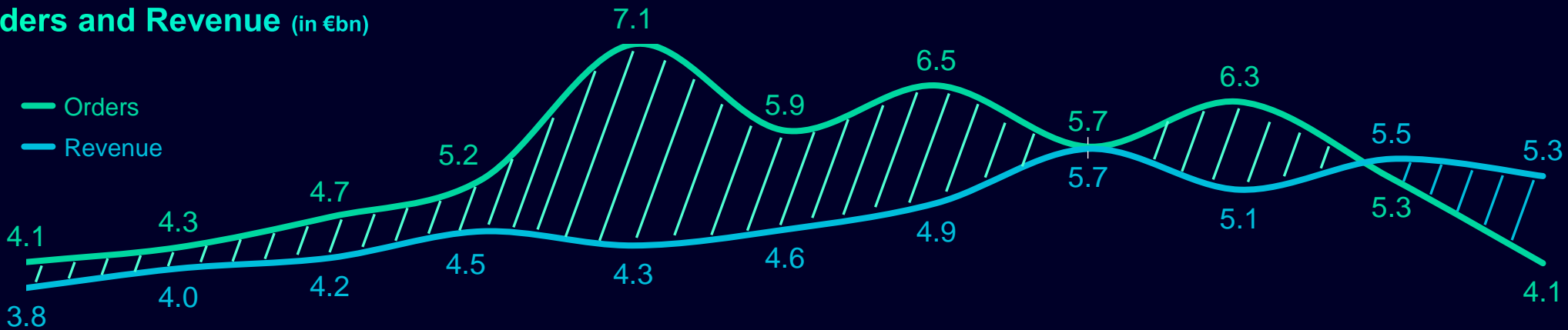
# Digital Industries – elevated short-cycle backlog normalizing to healthier levels

## Driven by improved supply chains and softer macro expectations

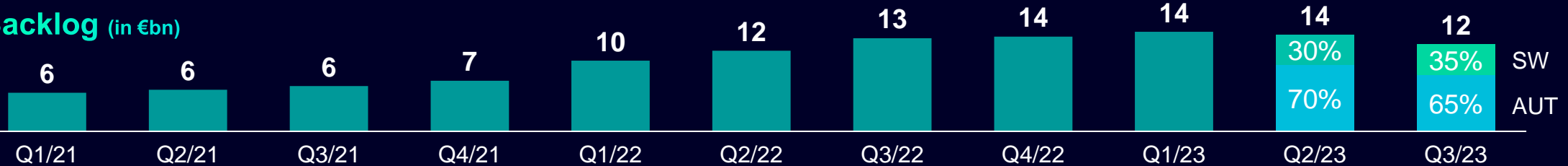
### Book-to-bill

1.09    1.07    1.13    1.16    1.64    1.30    1.33    1.00    1.24    0.95    0.77

### Orders and Revenue (in €bn)



### Backlog (in €bn)



Exceptional order momentum due to pre-ordering in short cycle business led to build up of record backlog

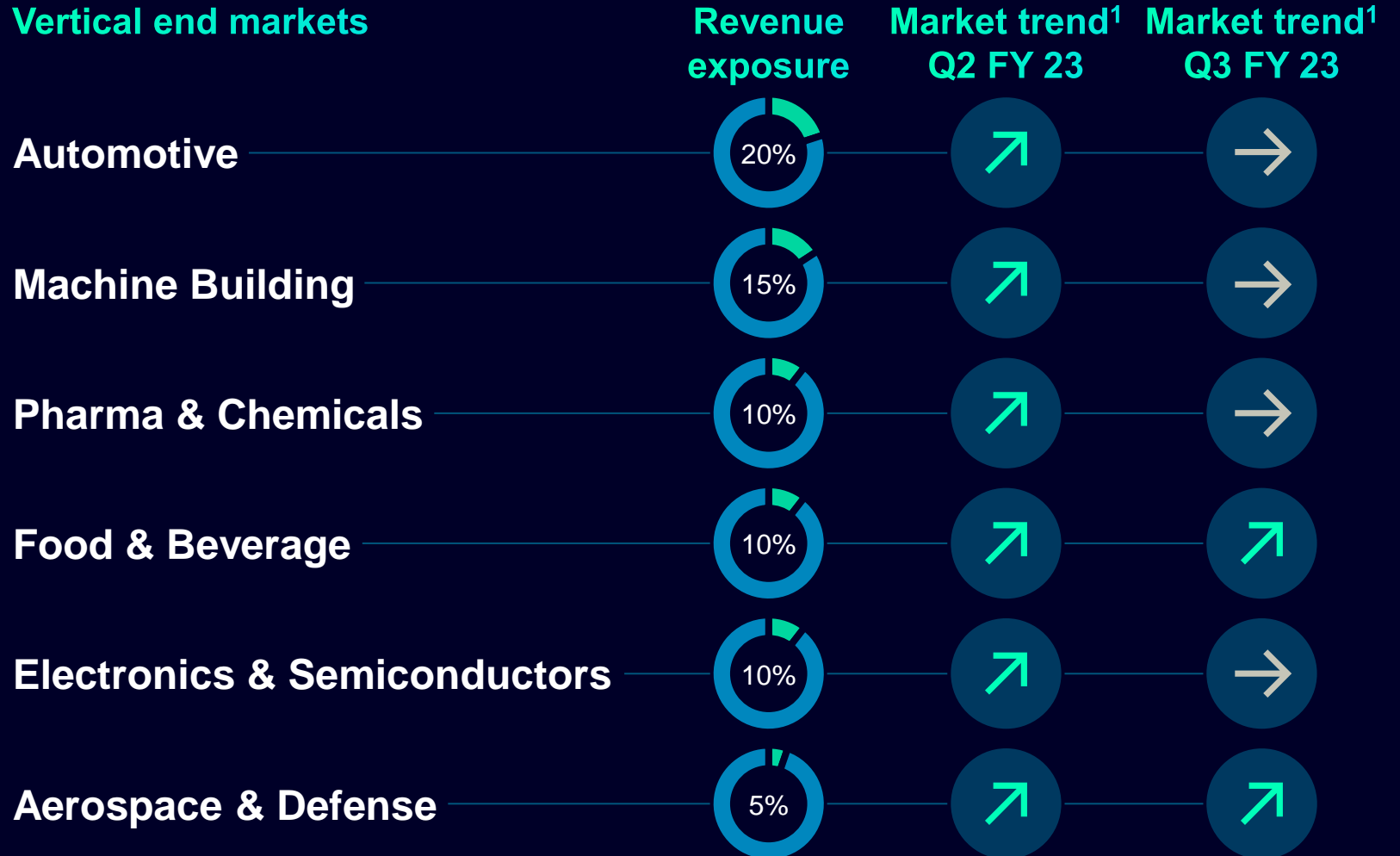
Consumption of backlog with normalizing order patterns on improved delivery times

# Digital Industries (DI)

## Vertical end market trends

Moderation of growth momentum in key end markets on high levels

Pricing effects in end markets are fading



<sup>1</sup> Y-o-Y industry revenue development for next 6 months based on industry production data from statistical office sources (e.g. NBoS, US Fed, Eurostat)

# Digital Industries (DI)

Accelerated normalization of demand & destocking

Backlog execution drives revenue growth

## Q3 FY 23 – Key regions Automation



China

Q3 21 Q3 22

+56% +32%

-61%

+0%

Topline with tough comps and impacted by macro headwinds and destocking



Germany

+65% +22%

-38%

+19%

Orders normalizing on tough comps; Revenue growth driven by Discrete on substantial backlog conversion



Italy

+101% +35%

-53%

+27%

Orders down on strong PYQ; Revenue strength broad-based



U.S.

+29% +24%

-23%

+17%

Orders normalizing; Process & Discrete revenue up double-digit

## Orders Revenue

## Q3 FY 23 – Software



Global

+1%

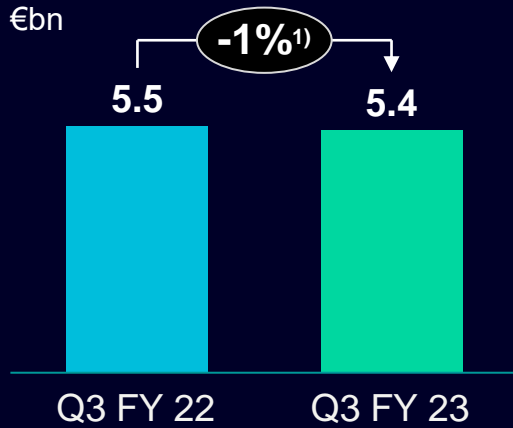
ARR up 14%, SaaS transition fully on track; EDA down on tough comps

Note: Growth rates Comparable, excl. FX and portfolio

# Smart Infrastructure (SI)

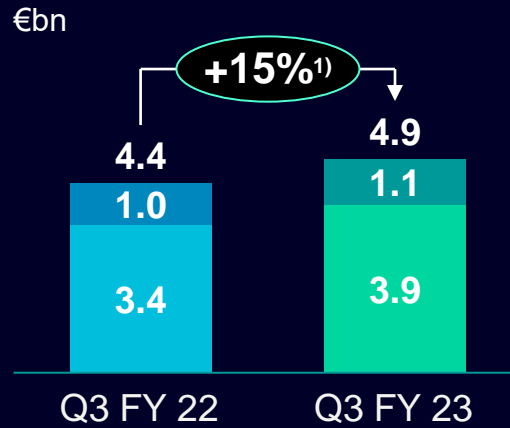
Excellent performance across all metrics, free cash flow an outstanding highlight

## Orders



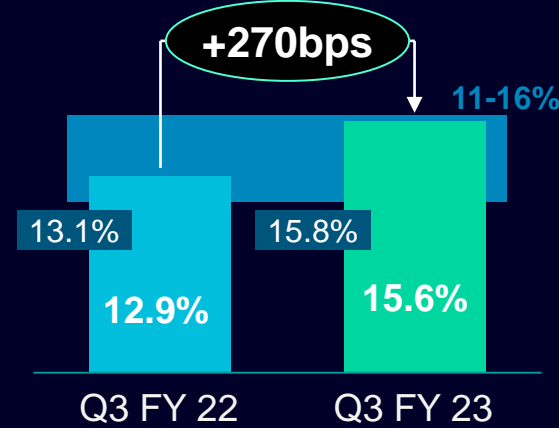
- Book-to-bill at 1.09
- Electrification up 14%, Electrical Products down -11%, Buildings down -5%
- Large orders from data center, battery & power distribution
- Record backlog €16.5bn

## Revenue



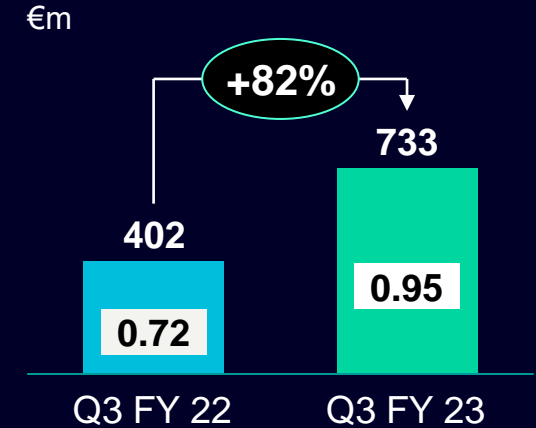
- Electrification with excellent growth of 22%, Electrical Products up 16%
- Buildings up 9% driven by solutions and services
- Service business up 13%

## Profit margin



- Net positive economic equation
- Increased capacity utilization on higher revenue
- Favorable revenue mix
- Cost reductions from competitiveness program

## Free cash flow



- Outstanding cash conversion
- Higher level of receivables driven by topline momentum; inventories stable

1 Comparable, excl. FX and portfolio

x.x x.x therein Service

x.x% Profit margin excl. severance

x.xxx Cash Conversion Rate

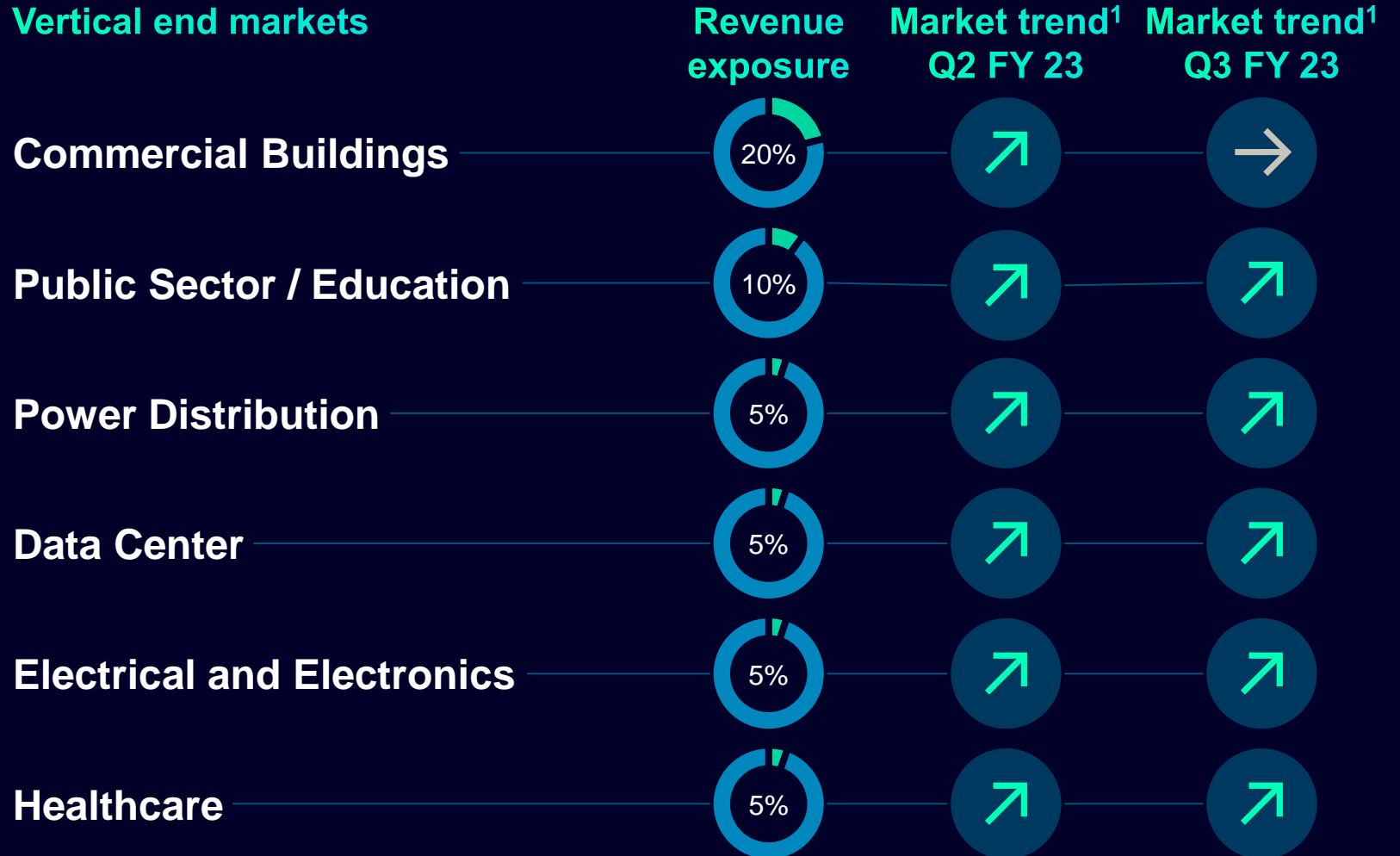


# Smart Infrastructure (SI)

## Vertical end market trends

Key verticals continue to grow in real terms

Commercial Building end market with softening demand



<sup>1</sup> Trend next 3 – 4 quarters, Y-o-Y vertical market development,

# Smart Infrastructure (SI)

Order growth driven by large orders especially in U.S.

Revenue growth fueled by strong backlog execution in all regions

## Q3 FY 23 – Key regions



U.S.

+10%

+22%

Strong order momentum in data center & battery manufacturing; Electrification & Electrical Products (EP) drive revenue



Germany

-5%

+11%

Electrification orders balancing softer EP on tough comps; Broad based revenue growth



China

-13%

+10%

Slow economic recovery weighs on order momentum; Revenue up on easy comps



Europe  
excl. Germany

-13%

+10%

Lower level of large orders; Revenue strength in Electrification, Buildings and EP up mid-single digit

## Q3 FY 23 – Service



Global

+13%

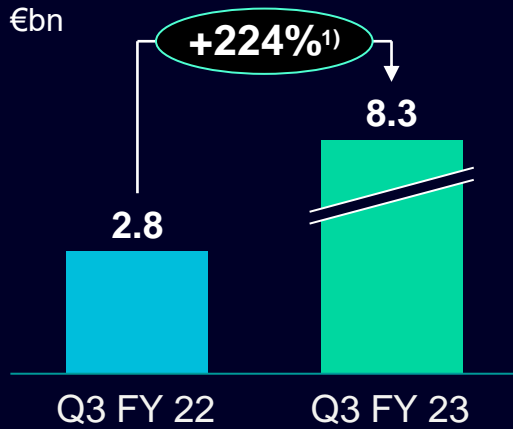
Double-digit growth in Asia and Americas

Note: Growth rates Comparable, excl. FX and portfolio

# Mobility (MO)

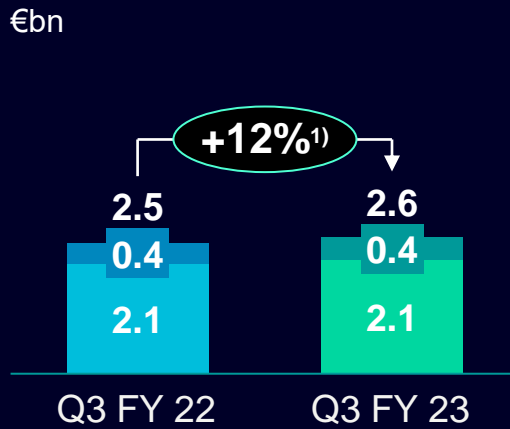
All-time-high orders, strong revenue growth and excellent free cash flow performance

## Orders



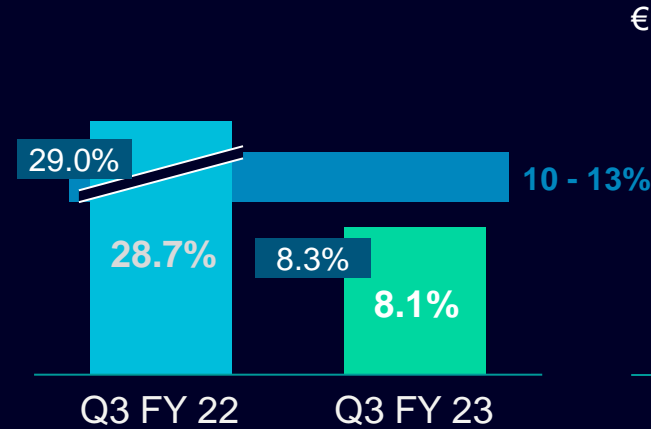
- Book-to-bill at 3.25
- Several major order wins, e.g. Egypt Green Line (€2.5bn)  
S-Bahn Munich (€2.1bn)  
U.S. Intercity Trains (€0.6bn)  
U.K. Service (€0.5bn)
- Backlog at €44.5bn, therein ~€12.5bn service

## Revenue



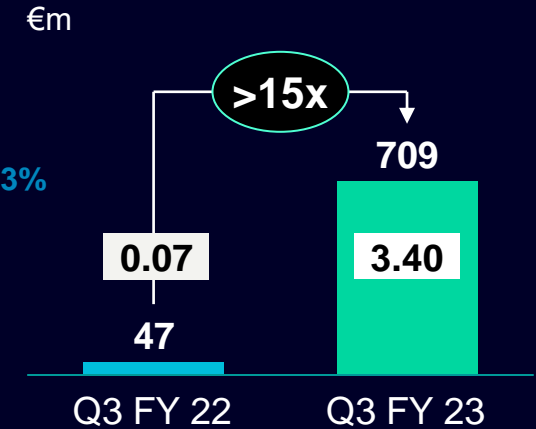
- Double-digit growth in Rolling Stock and Rail Infrastructure
- Rolling Stock with major contribution from large projects
- Service up 12%

## Profit margin



- Profitability improvement on higher revenue
- Prior year included one-off effects of €0.6bn, equaling 24.7ppts

## Free cash flow



- Major project milestone and advance payments
- Massive catch-up as expected

<sup>1</sup> Comparable, excl. FX and portfolio

x.x x.x therein Service

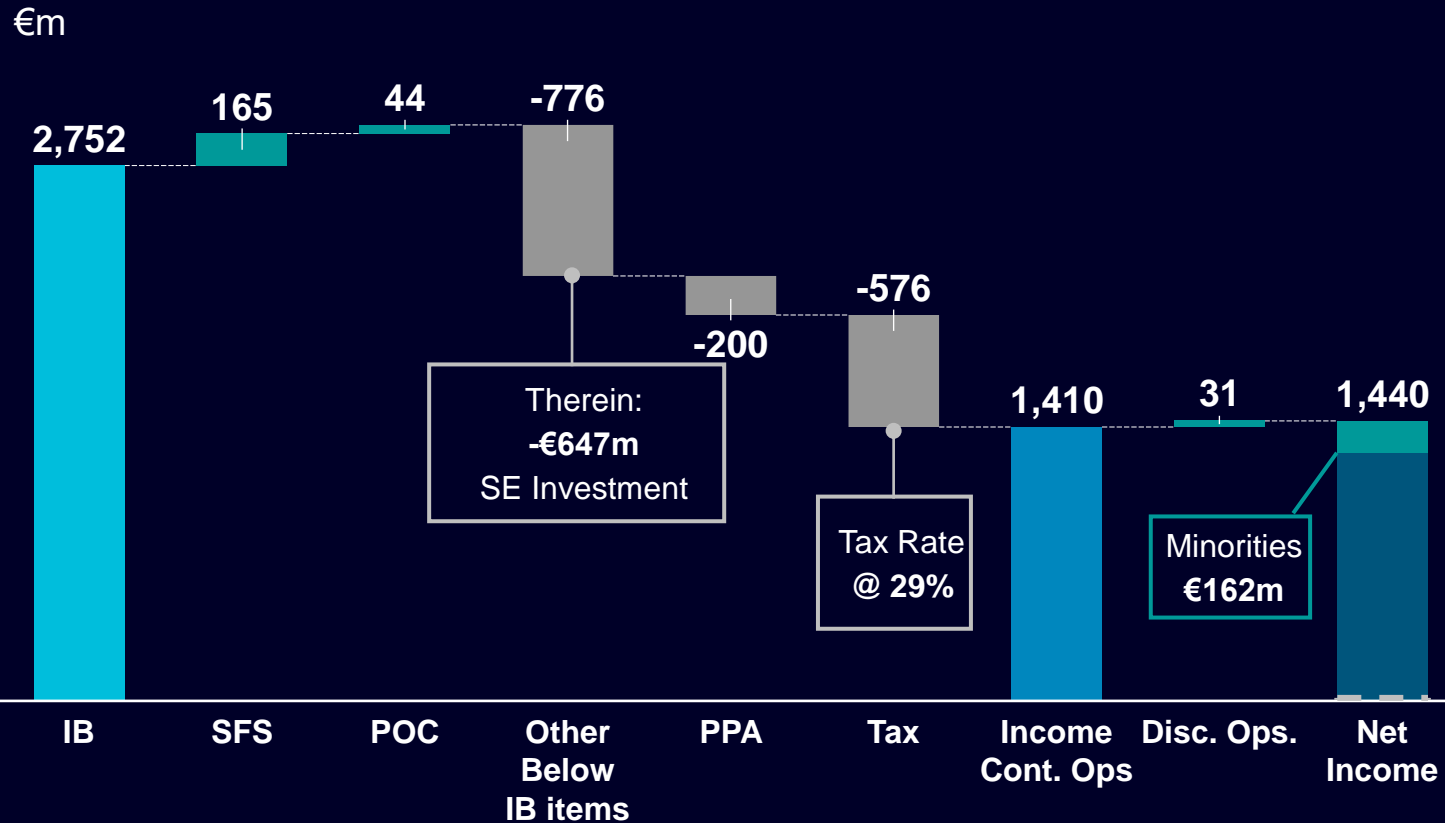
x.x% Profit margin excl. severance

x.xx Cash Conversion Rate

## Below Industrial Business

Strong operational performance, while impact from SE Investment weighs on net income

### Q3 FY 23



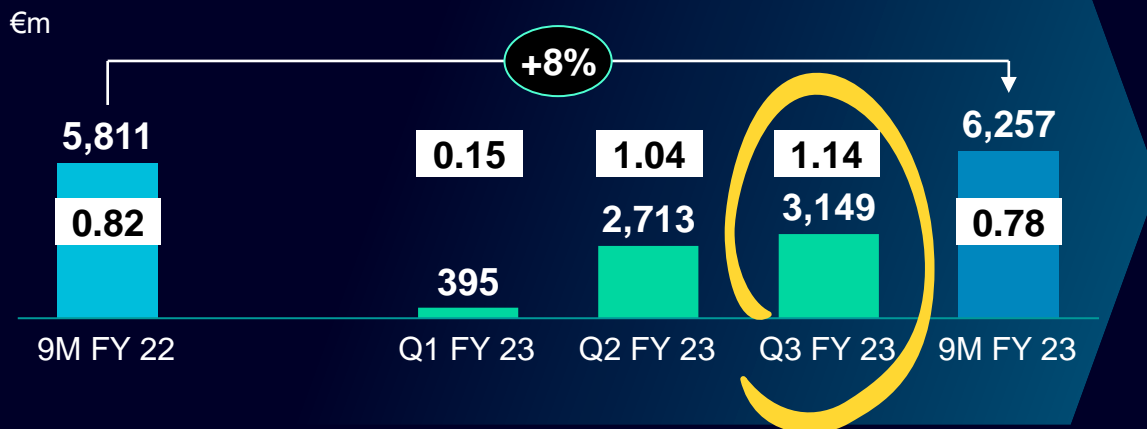
- **SFS:** Strong performance driven by Equity business
- **Portfolio Companies:** Solid profitability as expected
- **Other Below IB items:** SE Investment loss from at-equity participation
- **Net Income:** Reflecting very strong operational performance without SE Investment effects

Note: Other Below IB items contains SE Investment; SRE; Innovation; Governance; Pensions; Financing, Elimination, Other  
Detailed split see page 26

## Free cash flow

Outstanding cash performance highlighting excellent quality of business

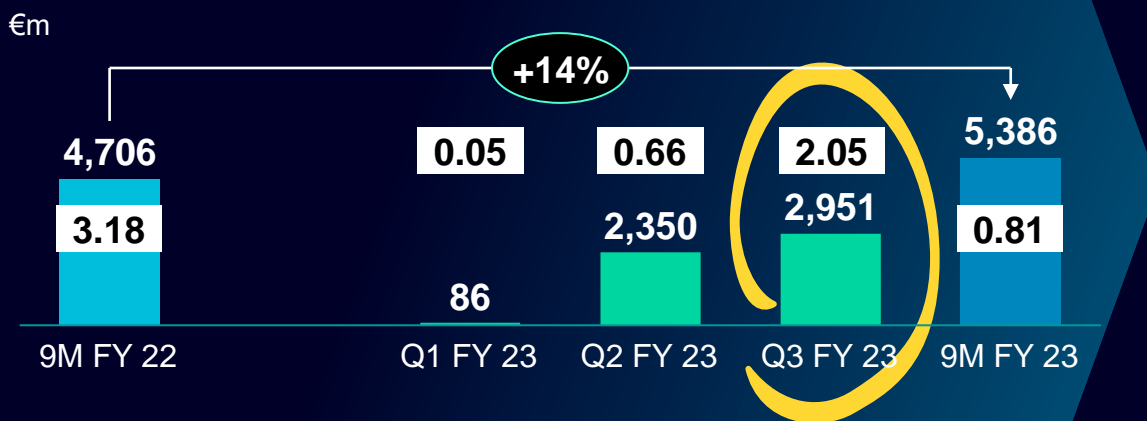
### Free cash flow Industrial Business



### Stringent working capital management

- Strong profit development
- Increased operating working capital level safeguarding topline growth

### Free cash flow



### Extraordinary effects below IB

- Impressive “all-in” cash performance
- Excluding non-cash effects of SE Investment CCR at 1.41 in Q3

x.x Cash Conversion Rate

## Updated Outlook FY 2023

Confirmed on group level excluding Siemens Energy Investment

### Siemens Group

Book-to-bill

>1

Revenue growth  
(Comparable)

9 – 11%

EPS pre PPA<sup>1)</sup>

€9.60 – €9.90

### Siemens Businesses

Comparable  
revenue growth

Profit margin

Digital Industries

13 – 15%  
[17 – 20%]

22 – 23%  
[22.5 – 23.5%]

Smart Infrastructure

14 – 16%

14.5 – 15.5%

Mobility

10 – 12%

8 – 10%

This outlook excludes burdens from legal and regulatory matters.

<sup>1</sup> Excluding Siemens Energy Investment, which during the first nine months of fiscal 2023 contributed €902 million to Net income and corresponding EPS pre PPA of €1.14

# Questions and Answers

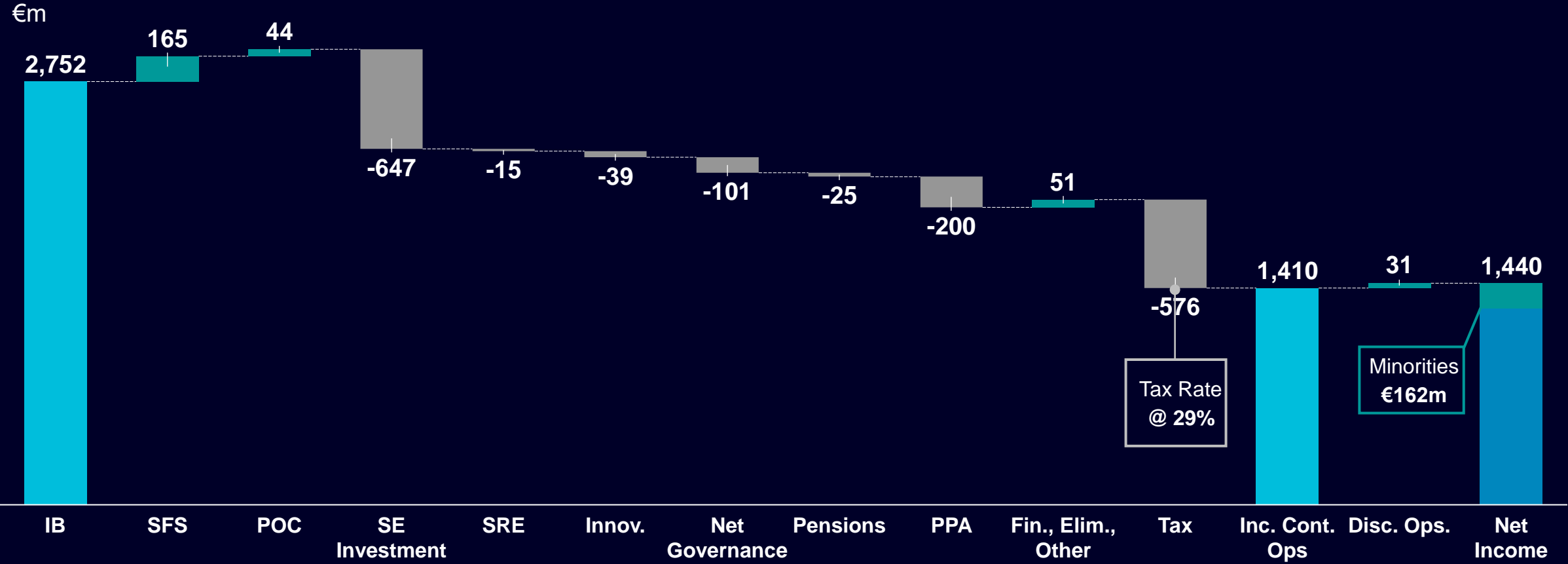
# Appendix



# Below Industrial Business

Strong operational performance, negative effects from SE Investment weigh on net income

## Q3 FY 23

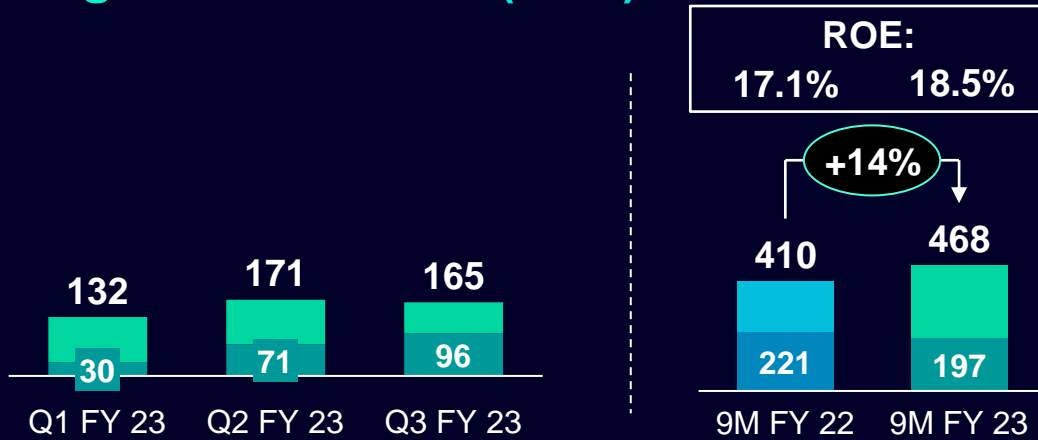


# Siemens Financial Services (SFS)

## Solid FY 23 YTD performance despite continuing volatile credit environment

### Earnings before Taxes (EBT)

€m

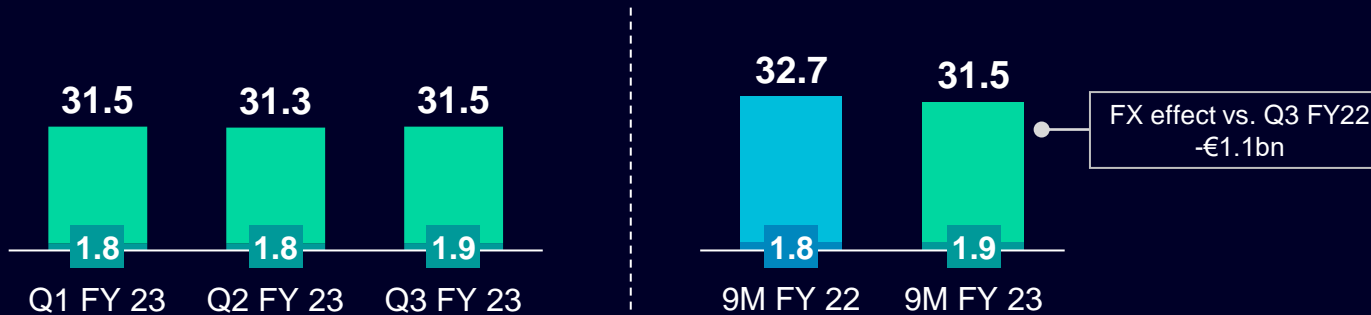


### Q3 developments

- Equity Business with strong result including **material gain on sales** of investments
- **Debt Business** strongly influenced by the volatile credit environment

### Total Assets

€bn

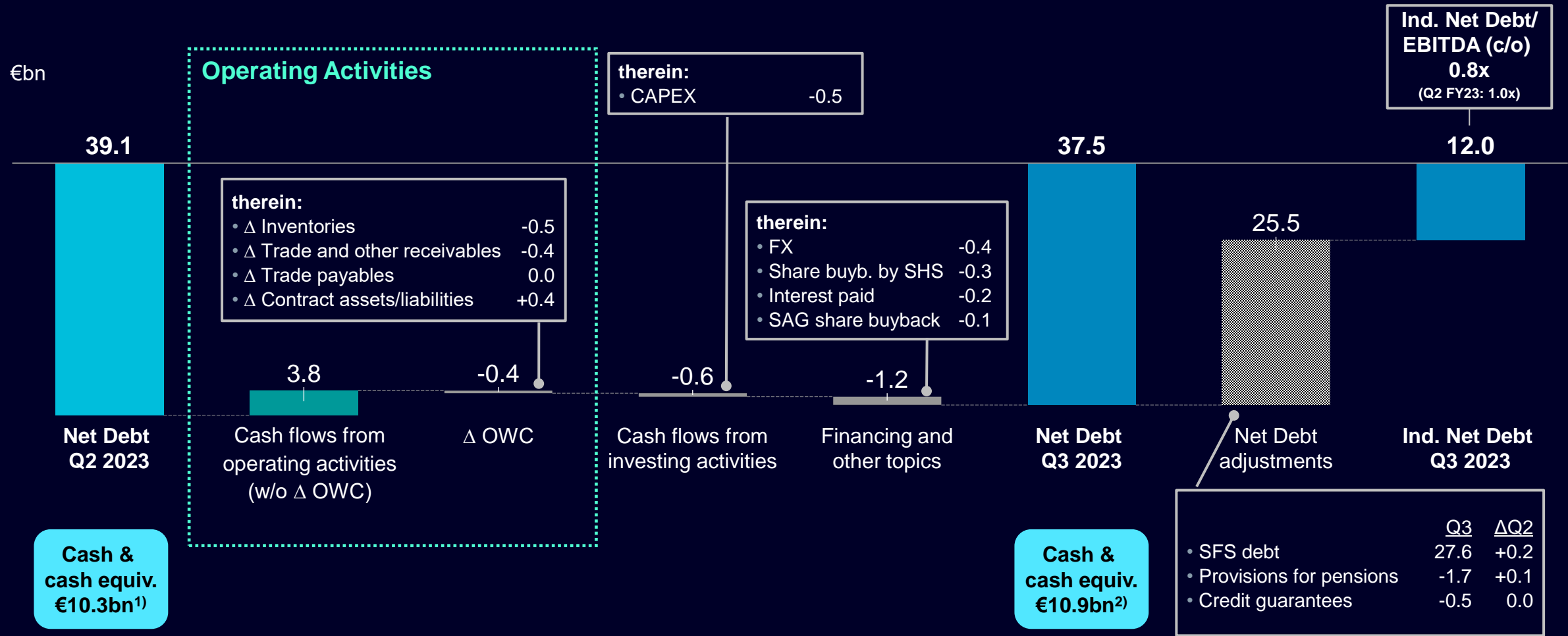


- **Decrease in total assets** primarily driven by **currency effects**

■ therein Debt Business   
 ■ therein Equity Business   
 ■ therein Debt Business   
 ■ therein Equity Business

# Net Debt bridge

Capital structure with further improvement; Moody's rating upgrade to Aa3



1 Sum Cash & cash equivalents of €10.3bn incl. current interest bearing debt securities of €1.1bn

2 Sum Cash & cash equivalents of €10.9bn incl. current interest bearing debt securities of €1.1bn

## Provisions for pensions on new historic low

In Germany: positive impact from extraordinary funding offset by inflation-related adjustments

| in €bn <sup>1</sup>                             | FY 2020 | FY 2021 | Q1 FY 2022 | Q2 FY 2022 | Q3 FY 2022 | Q4 FY 2022 | Q1 FY 2023 | Q2 FY 2023 | Q3 FY 2023 |
|---|---------|---------|------------|------------|------------|------------|------------|------------|------------|
| Defined benefit obligation (DBO) <sup>2</sup>   | -35.8   | -35.5   | -35.7      | -32.7      | -28.5      | -27.8      | -27.2      | -27.3      | -28.1      |
| Fair value of plan assets <sup>2</sup>          | 30.0    | 33.5    | 34.0       | 31.2       | 27.4       | 25.9       | 25.7       | 25.9       | 26.7       |
| Provisions for pensions and similar obligations | -6.4    | -2.8    | -2.9       | -2.2       | -1.9       | -2.3       | -1.8       | -1.8       | -1.7       |
| Discount rate                                   | 1.1%    | 1.3%    | 1.2%       | 2.0%       | 3.2%       | 3.9%       | 3.9%       | 3.8%       | 3.8%       |
| Interest income                                 | 0.3     | 0.3     | 0.1        | 0.1        | 0.1        | 0.1        | 0.2        | 0.2        | 0.2        |
| Actual return on plan assets                    | 0.4     | 2.5     | 0.3        | -1.8       | -3.6       | -1.7       | 0.4        | 0.7        | 0.1        |

<sup>1</sup> All figures are reported on a continuing basis (w/o LHfS)

<sup>2</sup> Fair value of plan assets including effects from asset ceiling (Q3 2023: -€0.6bn); Difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q3 2023: €0.3bn); 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

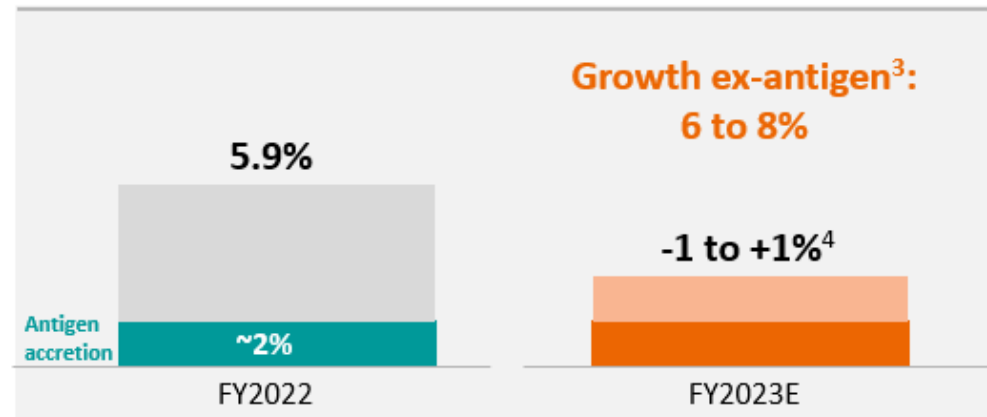
| €m  | Q3 FY 23   |              | 9M FY 23     |              |
|---|------------|--------------|--------------|--------------|
| <b>SHS EBIT (adjusted)</b>                          | <b>740</b> | <b>14.2%</b> | <b>2,068</b> | <b>13.2%</b> |
| PPA (SHS logic) <sup>1</sup>                        | -92        |              | -300         |              |
| Transaction, Integration, Retention, carve-out cost | -7         |              | -23          |              |
| Gains and losses from divestments                   | 0          |              | 0            |              |
| Severance   | -56        |              | -122         |              |
| Other portfolio-related measures                    | -17        |              | -347         |              |
| <b>SHS EBIT (as reported)</b>                       | <b>568</b> | <b>10.9%</b> | <b>1,277</b> | <b>8.2%</b>  |
| PPA (SAG logic) <sup>2</sup>                        | +89        |              | +288         |              |
| Consolidation / Accounting Differences              | -1         |              | +15          |              |
| <b>SAG Profit (as reported)</b>                     | <b>656</b> | <b>12.6%</b> | <b>1,580</b> | <b>10.1%</b> |
| Severance   | +56        |              | +122         |              |
| <b>SAG Profit (excl. severance)</b>                 | <b>712</b> | <b>13.7%</b> | <b>1,702</b> | <b>10.9%</b> |

<sup>1</sup> PPA on intangible assets as well as other effects from IFRS 3 PPA adjustments

<sup>2</sup> PPA on intangible assets

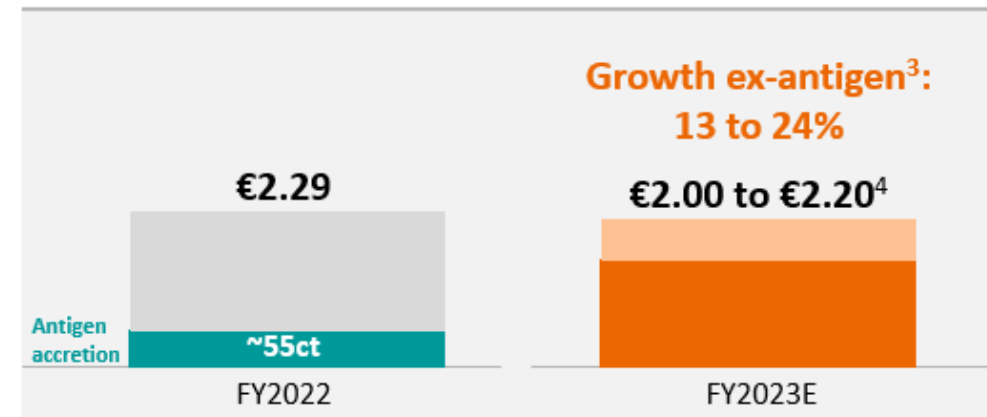
# Outlook FY2023 confirmed

## Comparable revenue growth<sup>1, 2</sup>



- **Imaging** growth at 7 to 9%
- **Diagnostics**<sup>4</sup> declining -26 to -23% incl. antigen; core growth -2 to +1%
- **Varian** growth at 9 to 12%
- **Advanced Therapies** growth at 6 to 9%

## Adj. basic earnings per share<sup>2</sup>



- **Imaging** margin at 21 to 22.5%
- **Diagnostics**<sup>4</sup> margin at -4 to 0% all-in; core margin -3 to +1%
- **Varian** margin at 14 to 15% (before: 16 to 18%)
- **Advanced Therapies** margin at 13 to 15%
- **Financial income, net** at €-175 to €-185m (before: €-150 to €-170m)
- **Tax rate** at 20 to 22% (before: 26 to 28%)

<sup>1</sup> Year-over-year on a comparable basis, excluding currency translation and portfolio effects as well as effects in line with revaluation of contract liabilities from IFRS 3 purchase price allocations |

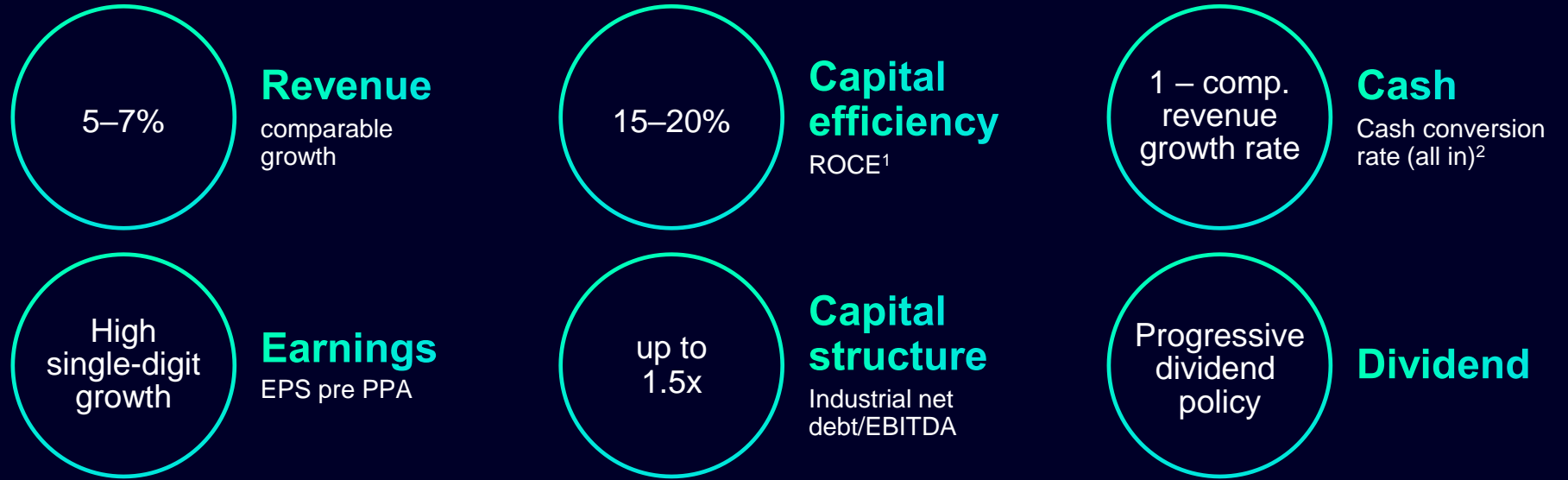
<sup>2</sup> The outlook is based on current foreign exchange rate assumptions, on the current portfolio, and on further assumptions, see Quarterly Statement Q3 FY2023 |

<sup>3</sup> Y-o-y growth excluding antigen contribution | <sup>4</sup> FY2023 assumes €100m revenue of antigen contribution, and €100 to €150m of Diagnostics transformation related one-time costs within adj. EBIT/EPs (total of €150 to €200m costs); core excludes antigen contribution and transformation related one-time costs

# Siemens Financial Framework

## Targets over 3 – 5 year cycle

### Siemens



### Businesses

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

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