

**ANNUAL SHAREHOLDERS' MEETING  
OF SIEMENS AG  
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**MAIN FOCAL POINTS OF THE SPEECH BY  
THE PRESIDENT AND CEO  
DR. ROLAND BUSCH  
(ADVANCE PUBLICATION)**

Check against delivery.

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### **A strong year – despite headwinds**

- The past year was a year marked by war in Europe. A difficult year for the world. Yet a year in which Siemens grew stronger.
- Despite war and crises: Siemens delivered. Siemens grew. Faster than our competitors. Faster than the market. Faster than we ourselves expected.
- We increased revenue 8 percent to €72 billion. Orders rose 17 percent to €89 billion. And we had a free cash flow of €8.2 billion – at the previous year's record level.
- This strong performance is reflected in our profit margin: 15 percent in our Industrial Businesses, for example. A record. Siemens was never so profitable from an operating perspective.
- Our growth is accelerating. In May 2021, we set ourselves a goal of growing 5 percent to 7 percent annually over the medium term.
- Siemens is growing profitably. Siemens is one of the best technology investments you can make right now.
- Siemens has the right strategy, the right technologies and the right team.

### **Outstanding business results**

- Crises reveal a company's true strength. Siemens grew strongly – and did so profitably and in a way that created value.
- In key markets, revenue grew – and did so (on a comparable basis in each case) by 5 percent in China, 6 percent in Germany, 10 percent in the U.S., and a fantastic 22 percent in India.
- We are transitioning a large share of our software business to a new business model, namely to software-as-a-service. This model entails regular payments by our users rather than a high one-time license fee. Such offerings are particularly attractive for small and medium-sized enterprises. The transition is proceeding better than planned: 3,100 customers have already opted for the new model.
- And the course is also set for further strong growth in fiscal 2023. We have an order backlog of €102 billion. Our book-to-bill is 1.24.
- All our businesses had an outstanding year.
- We promised you a progressive dividend policy. Last year, our dividend was €4 per share. This year, we are proposing a dividend of €4.25 per share. All 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.

- Siemens delivered a record year. Thanks above all to a good team. I would like to warmly thank my colleagues for their great personal commitment – the 300,000 people at Siemens.

### **The right strategy**

- Our strategy can be summed up in one sentence: We combine the real and the digital worlds.
- We can do this because we understand the world of our customers. Data provides a new picture, but only if you know the context. We know the context and have the industry knowhow. Others only have algorithms.
- For years we have been aligning our portfolio to the megatrends: climate change, urbanization, globalization (evolving these days into glocalization), demographic change, and digitalization.
- The megatrends present both an enormous challenge and a huge opportunity for Siemens. The bigger the challenge, the bigger the market.
- Climate change: We help customers become more sustainable. To achieve more with fewer resources. In manufacturing, in buildings, in energy systems, in transportation. In fiscal 2022, our customers avoided around 150 million tons of CO<sub>2</sub> emissions by using Siemens technologies.
- Sustainability is a growth market.
- For example, smart power grids to enable better use of renewable energies. Data centers and buildings can be operated more efficiently with Siemens solutions. Variable drive systems save up to 60 percent electricity. 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. We have technologies for measuring the carbon footprint of supply chains.
- We invest in our own sustainability. Two major successes regarding our own climate goals: We have reduced our CO<sub>2</sub> emissions by 46 percent compared to 2019. And we will be investing €650 million in our decarbonization by 2030.
- Urbanization: Cities are rapidly growing. At the same time, they need to be livable and sustainable. Digital twins help achieve this.

- Globalization: Many countries would like to manufacture more themselves once again and become more resilient. In particular in high-wage countries, meeting these goals means that factories have to be highly automated and must be digitalized. And this is precisely Siemens' strength.
- Demographic change: More elderly, fewer youth. Fewer workers. Digital technologies improve healthcare systems and increase productivity.
- Digitalization: It helps us deal with these megatrends.
- That's why we launched Siemens Xcelerator – an open, digital business platform. A place where you get what you need to combine the real and the digital worlds: hardware that is Internet-of-Things-enabled, plus software and services. From Siemens and other providers.
- Siemens Xcelerator is an ecosystem. One important aspect: Offers in this ecosystem must be fit together. To ensure they match, we will be making our entire digital portfolio modular, cloud-enabled and interoperable as time goes on.
- We remain strong in hardware. We are expanding our software portfolio. We offer more and more digital services. And we use software to make our hardware smarter, more efficient and more valuable. All this adds up to profitable growth.
- Our digital twins are an important factor here. They depict the real world – in real time and in detail: temperature, gravity, speeds, material properties and dozens of other variables. For example, in a factory.
- In a digital simulation, errors can be detected earlier, and we can try out interventions in operations without stopping real production. To carry out these simulations, we need sensors, edge technology, cloud technology and much more.
- The moment when we have finished digitalizing all factories will not come. Developments will go on and on, with ever new technologies, new possibilities, new visions. One such vision: the industrial metaverse.
- The industrial metaverse is not just about production. It presents us with new possibilities for infrastructure, transportation systems and healthcare.

### **The right technologies**

- We are entering new markets to tap profitable growth. Four examples here; three of which are about sustainability.
- First: Electromobility. This market is growing at about 35 percent per year. Siemens has a

lot to offer here. Chargers and suitable infrastructure for the necessary power grids. Because grids have to become smarter to handle the optimal charging of millions of electric vehicles while remaining stable.

- Second: Indoor farming – the production of food in enclosed spaces. This market is growing at 25 percent a year. Companies like “80 Acres Farms” stack growing beds above one another. Production is located close to consumers. Siemens supplies power systems, energy and building management systems, industrial automation and edge technology.
- Third: Battery manufacturing. Demand will grow by 30 percent a year until 2030. Siemens has long been a partner for many battery manufacturers. Siemens is supporting Northvolt in Sweden in planning its factory and building the production systems. With automation. And with cloud technologies.
- Fourth: Semiconductors. Many countries are now planning to expand their own manufacturing. In the U.S. alone, around 70 new semiconductor factories are expected to be built over the next two years. The market we can serve with our offerings already reached around €12 billion in 2022.
- These are just four markets poised at the beginning of a growth curve. And there are dozens of them.

### **The right team**

- Siemens has the right technologies for growth markets. The right strategy. And the right team. 300,000 people from almost every country in the world.
- Working together with our customers, we are determining what they need. We are listening more. We are trying out more things. We are raising the clock speed. We are giving one another more room for experimenting. We are empowering others to take on greater responsibility. We are growing. As a company and as a team.
- That's why Siemens attaches great importance to continuing education. As do our people. The time that our colleagues put into learning has sharply increased, up 32 percent between 2019 and 2022. A quarter of all learning hours is devoted to digital transformation content.
- Our people are happy to work at Siemens. This is shown by the so-called Employee Net Promoter Score. Three years ago, it was at 10; today we stand at 39. Values above 30 are considered outstanding.

**One of the best technology investments**

- Siemens has been growing for over 175 years and is constantly reinventing itself. Today we are a global technology company. We help our customers to be successful. We research, we invent, we develop. We build technologies and successfully market them: Innovations that benefit people. And along the way, we keep reinventing ourselves.
- Siemens combines the real and the digital worlds like no other company and helps customers around the entire world achieve more with fewer resources. In short: Siemens is one of the best technology investments.
- We thank our shareholders for their trust.

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