SIEMENS

Press

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Continued profitable growth and excellent free cash flow

- **Orders rose 15 percent on a comparable basis to €24.2 billion and again reached a very high level (Q3 2022: €22.0 billion)**
- **Revenue grew 10 percent on a comparable basis to €18.9 billion (Q3 2022: €17.9 billion)**
- **Profit Industrial Business totaled €2.8 billion (Q3 2022: €2.9 billion) with a strong increase at Smart Infrastructure and Digital Industries**
- **Net income was €1.4 billion (Q3 2022: a net loss of €1.5 billion)**
- **Free cash flow all-in at group level was an outstanding €3.0 billion, a 29 percent increase (Q3 2022: €2.3 billion)**
- **Outlook on group level confirmed for fiscal 2023 for revenue growth and EPS pre PPA, excluding the Siemens Energy Investment**

Siemens continued its profitable growth trajectory in Q3 2023 (ended June 30, 2023), with all industrial businesses achieving strong revenue growth. Order momentum in the company's major projects and systems business was also strong. The book-to-bill ratio was an excellent 1.28, while the order backlog of €110 billion was again at a record high level. Siemens confirms its outlook on group level for fiscal 2023 and continues to expect revenue growth of 9 percent to 11 percent and basic earnings per share before purchase price allocation accounting (EPS pre PPA) of €9.60 to €9.90, excluding the Siemens Energy Investment.

"We again achieved profitable growth and showed our competitive strength across all our businesses. We have seen normalization of demand, particularly in China and in short-cycle business. I'm very pleased that our financial performance was again strong and resilient. We continue to execute our strategy of creating high-value growth and accelerating our customers' digital transformation and sustainability journeys," said Roland Busch, President and Chief Executive Officer of Siemens AG.

"Again in the third quarter our excellent free cash flow reflected our businesses' strong performance. In addition, an upgrade of our credit rating by Moody's underlines our financial strength. We are ideally positioned to continue creating value for our shareholders, customers and employees," said Ralf P. Thomas, Chief Financial Officer of Siemens AG.

Industrial Business delivers clear revenue growth

In Q3 2023, Siemens increased revenue 10 percent on a comparable basis to €18.9 billion (Q3 2022: €17.9 billion). Orders also rose 15 percent on a comparable basis to €24.2 billion (Q3 2022: €22.0 billion).

Profit Industrial Business was €2.8 billion (Q3 2022: €2.9 billion), including substantial profit growth at Smart Infrastructure and Digital Industries, whereby profit in Q3 2022 had included a €739 million gain from the sale of Yunex. The profit margin was 15.3 percent (Q3 2022: 17.0 percent). Net income rose to €1.4 billion after a net loss of €1.5 billion in Q3 2022 due to an impairment of the stake in Siemens Energy AG and Russia-related effects. In Q3 2023, the Siemens Energy investment recorded a loss of €0.6 billion due mainly to participation in the loss after tax of Siemens Energy. Corresponding EPS pre PPA was €1.78 (Q3 2022: a negative €1.85). Excluding the loss from the Siemens Energy investment, EPS pre PPA totaled €2.60.

Free cash flow all-in at group level from continuing and discontinued operations was an outstanding €3.0 billion (Q3 2022: €2.3 billion). This considerable improvement was due primarily to the very strong free cash flow of €3.1 billion generated at the Industrial Business (Q3 2022: €2.5 billion), coupled with strong cash inflows at all the industrial businesses.

Strong profit growth at Smart Infrastructure and Digital Industries

At Digital Industries, revenue rose by a total of 11 percent on a comparable basis to €5.3 billion. This growth was driven primarily by the automation businesses – especially by the factory automation and process automation businesses. Orders declined 35 percent on a comparable basis to €4.1 billion due mainly to order development at the automation businesses, which had benefited in prior periods from proactive customer purchasing. Orders were down in all regions, but most notably in China. In contrast, orders in the software business rose due to several larger contract wins. Profit grew 24 percent to €1.1 billion, while the profit margin totaled 21.1 percent. Both increases were supported by higher capacity utilization and a more favorable product mix combined with the greater availability of components for high-margin products.

At €5.4 billion, orders at Smart Infrastructure were nearly at the high level of Q3 2022, which had benefited from proactive customer purchasing particularly in the short-cycle businesses. Order input was driven by significant growth at the electrification business due to a number of larger orders for data centers and orders from battery manufacturers and power distribution customers. Revenue rose on a comparable basis at all businesses, increasing by a total of 15 percent to €4.9 billion. Growth at the electrical products and electrification businesses was particularly strong. Profit increased 37 percent to €769 million. The profit margin totaled 15.6 percent compared to 12.9 percent in Q3 2022.

Mobility again achieved a record-high quarterly order intake of €8.3 billion. This strong increase was driven by a number of major contract wins, including the recognition of a €2.5 billion order for the first line of a turnkey rail system in Egypt and a €2.1 billion order for suburban trains in Germany. Revenue grew 12 percent on a comparable basis to €2.6 billion. All businesses contributed to this growth, which was due to the increased conversion of the order backlog resulting from improved component availability. Profit and profitability rose at all businesses but did not reach in total the extraordinarily high level of Q3 2022, which had been due to a gain of €739 million from the sale of Yunex.

Outlook on group level confirmed

For the Siemens group, Siemens continues to expect comparable revenue growth, net of currency translation and portfolio effects, in the range of 9 percent to 11 percent and a book-to-bill ratio above 1.

Digital Industries now expects for fiscal 2023 to achieve comparable revenue growth of 13 percent to 15 percent (previously expected at 17 percent to 20 percent). The profit margin is now expected to be in the range of 22 percent to 23 percent (previously expected at 22.5 percent to 23.5 percent).

Smart Infrastructure continues to expect for fiscal 2023 comparable revenue growth of 14 percent to 16 percent and a profit margin in the range of 14.5 percent to 15.5 percent.

Mobility continues to expect for fiscal 2023 comparable revenue growth of 10 percent to 12 percent and a profit margin in the range of 8 percent to 10 percent.

Siemens continues to expect the profitable growth of its industrial businesses to drive an increase in EPS pre PPA to a range of €9.60 to €9.90 in fiscal 2023, excluding the 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.

This outlook excludes burdens from legal and regulatory matters.

This press release is available at: https://sie.ag/47qVLEL

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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

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