

Outstanding start to fiscal 2021 – Annual guidance raised significantly

- **Revenue increased in first quarter to €14.1 billion, orders surged to €15.9 billion**
- **Adjusted EBITA Industrial Businesses jumped 39 percent year-over-year to €2.1 billion and adjusted EBITA margin to 16.0 percent (Q1 2020: 11.7 percent)**
- **Net income rose substantially to €1.5 billion (Q1 2020: €1.1 billion)**
- **Free cash flow improved significantly to €1.0 billion (Q1 2020: €44 million)**
- **Net income in 2021 expected to be between €5.0 billion and €5.5 billion**

Siemens AG has started off fiscal 2021 with a strong first quarter. From October to December 2020, orders, revenue and net income considerably exceeded both the prior-year figures and market expectations despite the still complex macroeconomic environment due to the COVID-19 pandemic and despite negative currency translation effects. As a result, Siemens has significantly raised its annual guidance for fiscal 2021 at key points.

The ordinary Annual Shareholders' Meeting of Siemens AG will take place today in a virtual format immediately after the publication of the company's quarterly figures.

"Our team has delivered an outstanding performance in a rather complex environment. I am grateful to be able to hand over such a strong enterprise to the next generation of management," said Joe Kaeser, President and CEO of Siemens AG.

"I'd like to thank our customers for their great trust, our partners for their excellent collaboration and, not least, our colleagues for their outstanding commitment. All of this provides the basis for our strong start to the new fiscal year. As a focused

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technology company, we're helping our customers to transform their businesses every day – particularly in these difficult times. For this, we have the right team and the right setup at the right time," said Roland Busch, Deputy CEO and future President and CEO of Siemens AG.

"The strong performance of our businesses underscores once again our ability to rigorously leverage even short-term opportunities in our markets. In precisely this sense, our outstanding free cash flow of some €1 billion is also a sign of a highly successful first quarter. With great confidence in the performance of our global Siemens team, we're raising our guidance for fiscal 2021 despite the still complex macroeconomic environment," explained Ralf P. Thomas, CFO of Siemens AG.

Annual guidance raised significantly at key points

Siemens continues to expect a complex macroeconomic environment influenced by COVID-19. Siemens already saw improving conditions in some of its businesses and geographic regions during the first quarter of fiscal 2021. Based on the assumption that these conditions continue in coming quarters, particularly for its short-cycle businesses, Siemens raises its outlook for the fiscal year.

Siemens continues to anticipate that negative currency effects will strongly burden both nominal growth rates in volume and Adjusted EBITA for its industrial businesses in fiscal 2021.

Siemens raises its previous expectation of moderate comparable revenue growth for the Siemens Group, net of currency translation and portfolio effects, to mid- to high-single-digit growth. Siemens continues to expect a book-to-bill ratio above 1.

Digital Industries now expects fiscal 2021 comparable revenue to grow clearly year-over-year instead of modestly. The expectation for Adjusted EBITA margin is now 19 percent to 20 percent, two percentage points higher.

Smart Infrastructure continues to expect to achieve moderate comparable revenue growth in fiscal 2021. The expectation for Adjusted EBITA margin is now 10.5 percent to 11.5 percent, 0.5 percentage points higher.

Mobility continues to anticipate mid-single-digit comparable revenue growth and an Adjusted EBITA margin at 9.5 percent to 10.5 percent in fiscal 2021.

In line with the expectations described above, Siemens raises its outlook for net income to the range from €5.0 to €5.5 billion, well above the previous expectation of only moderate growth compared to €4.2 billion in fiscal 2020.

Excluded from this outlook are burdens from legal and regulatory issues and effects in connection with Siemens Healthineers' planned acquisition of Varian Medical Systems, Inc., which is expected to close in the first half of calendar 2021.

Strong start to the year with increases in Group revenue and profit

In the first quarter of 2021, Siemens increased Group revenue by seven percent on a comparable basis to €14.1 billion, with contributions by all Industrial Businesses and the strong development in China and Germany. Orders grew by 15 percent on a comparable basis to €15.9 billion, driven primarily by a higher volume from large orders at Mobility. The book-to-bill ratio was 1.13 and thus still at an impressively high level.

Adjusted EBITA Industrial Businesses climbed sharply by 39 percent to €2.1 billion despite substantial headwinds due to currency translation effects. Adjusted EBITA margin Industrial Businesses rose considerably to 16.0 percent (Q1 2020: 11.7 percent).

Net income rose 38 percent to €1.5 billion. Siemens also significantly increased free cash flow to €1.0 billion (Q1 2020: €44 million).

At Digital Industries, Adjusted EBITA jumped 57 percent to €848 million. Decisive factors in this regard were a recovery in demand at the automation business, higher capacity utilization, a strong profit contribution by the software business and extensive cost savings due, among other things, to the rapid execution of the DI ONE cost reduction program. The Adjusted EBITA margin increased to 22.5 percent, compared to 14.4 percent in the prior-year quarter.

At Smart Infrastructure, Adjusted EBITA climbed 39 percent to €391 million, driven by a strong performance in all business areas, higher capacity utilization and cost

savings. The Adjusted EBITA margin improved to 11.2 percent, compared to 8.0 percent in the prior-year quarter.

As expected, Mobility continued to develop successfully despite pandemic-related headwinds. At €219 million and 10.0 percent, respectively, Adjusted EBITA and the Adjusted EBITA margin remained at the level of the prior-year quarter, which had not yet been negatively impacted by COVID-19.

As part of its further rigorous execution of Vision 2020+, Siemens sold Flender GmbH to the investor Carlyle at the beginning of fiscal 2021 (closing expected in the first half of calendar year 2021). Since the first quarter of fiscal 2021, the Flender business (previously reported under Portfolio Companies) has been reported under discontinued operations.

At €5.0 billion, provisions for pensions and similar obligations were substantially lower at quarter-end (September 30, 2020: €6.4 billion) mainly due to a positive return on plan assets and the contribution of Siemens' stake in Bentley Systems to the Siemens Pension-Trust e.V. In this way, Siemens has considerably strengthened the assets of the pension scheme for its employees.

This press release is available at <https://sie.ag/2MMnlaE>.

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In fiscal 2020, which ended on September 30, 2020, the Siemens Group generated revenue of €57.1 billion and net income of €4.2 billion. As of September 30, 2020, the company had around 293,000 employees worldwide. Further information is available on the Internet at www.siemens.com

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 of the Annual Report. Should one or more of these risks or uncertainties materialize, 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.

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