SPEECH FOR PRESS CALL
Q2 2025

“SUCCESSFUL SECOND QUARTER – OUTLOOK CONFIRMED”

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Check against delivery.

[Roland Busch]

Ladies and gentlemen,

Good morning everyone and thank you very much for joining us today to discuss our second-quarter results and our perspective on the remainder of fiscal 2025.

The last few months have shown us all how fast the world is changing. The transformation currently underway is having an enormous impact on our societies and on how companies operate.

We're all very familiar with the challenges, and I'll talk about the impact of geopolitical shifts, tariffs and trade restrictions – and about their effects on supply chains – in a moment.

But first, I'd like to emphasize: this phase of change also offers great opportunities. It's crucial that we fully embrace new technologies – as companies and also as societies.

It's a time of accelerating technological progress driven by data and artificial intelligence, or AI.

- We have the opportunity to rebuild our products and processes.
- We have the opportunity to install a new operating system.
- We have the opportunity to reinvent ourselves.

But for this we need:

- less bureaucracy
- more and faster innovations.

In this connection, I have high hopes for the new German government but also expectations. I would urge Chancellor Friedrich Merz and the entire cabinet to act responsibly in these difficult times. To do everything in their power to foster new growth and, at the same time, to defend our democracy and system of values. Much is at stake. In any case, Germany has the potential to rebound. Together, we can achieve a great deal. We at Siemens are ready to do our part.

But back to our second quarter. Through our leadership in industrial AI, we're enabling customers to combine the real and digital worlds in order to improve their competitiveness, their resilience and their sustainability. In a word: to achieve real impact.

Our markets are attractive, aligned with secular growth drivers and based on well-established long-term trends. Our localized footprint has made us a strong partner around the globe to support upgrades in infrastructure, transportation, industry and healthcare.

As a result, we can leverage numerous public investment programs. Germany, the EU, China, India and the U.S. – everywhere there are ambitious plans.

Let me outline now the highlights of our successful second quarter.

Our very robust topline performance demonstrates the relevance of our offerings for customers. In Q2, our book-to-bill ratio reached a strong 1.10, with all businesses at or above 1.

Our high-quality order backlog is now a healthy €117 billion – a strong basis for future profitable growth.

Group orders reached €21.6 billion, up 9 percent year-over-year. Mobility and Healthineers, both up by double digits, were key drivers. Orders at Smart Infrastructure were again at a high level.

Driven by our automation business, orders at Digital Industries were, as expected, up sequentially and reached the prior-year level.

This recovery was fueled by our short-cycle product business in China, where, as anticipated, destocking of elevated stock levels at customers approached completion toward the end of Q2.

Further economic recovery will depend heavily on how the tariff environment develops and on the timely resolution of trade conflicts.

This view is clearly reflected in our conversations with customers, who point to a considerably higher level of uncertainty.

Investment sentiment in core industries such as automotive and machine building remained soft, particularly in Europe’s key export-driven markets like Germany.

Overall, revenue grew 6 percent, with strong double-digit contributions from Mobility and Smart Infrastructure.

Growth at Smart Infrastructure was again driven by an outstanding 18 percent increase in the electrification business on rigorous execution of data center projects.

The automation business at Digital Industries slightly exceeded expectations, posting a decline in the mid-single-digit range year-over-year but a sequential improvement from the trough we saw in Q1.

Software was slightly lower due to fewer larger orders at the electronic design automation, or EDA, business on tough comparables.

All regions contributed to the Group's revenue growth, reflecting rigorous backlog execution.

The Americas were up 11 percent, fueled by strong momentum in the U.S., while Europe, the Middle East and Africa, or EMEA, grew 5 percent. Asia / Australia was up 2 percent, on strength in India, which grew 8 percent. Development in China was stable.

Robust growth converted into strong results for profitability and free cash flow.

An excellent profit of €3.2 billion in the Industrial Business clearly topped market expectations, even excluding the extraordinary divestment gain from the wiring accessories business.

- I'm very pleased with an operational profit margin of 15.3 percent – here also without the gain from the wiring accessories business.
- Earnings per share before purchase price allocation accounting, or EPS pre PPA, reached €3.00.
- Rigorous cash conversion led to strong free cash flow of €2.1 billion in the Industrial Business.

With rising macroeconomic and geopolitical uncertainty, developments are becoming increasingly difficult to predict. Although significant uncertainties persist, we confirm our Group outlook for fiscal 2025.

Ralf will give you further details in a moment.

We introduced our North Star – ONE Tech Company – in November. This company program has three aims:

- stronger customer focus
- faster innovations and
- higher profitable growth.

Foundational, investment and productivity – on all these tracks, we've made significant progress while generating higher growth.

Let me give you a few examples.

I'll provide you with details about the Hannover Messe in a moment.

The first example for growth is China. A few weeks ago, I attended the China Development

Forum. It was a very positive experience. My takeaway: China wants more cooperation and more openness to drive high-tech and high-quality growth.

And this is exactly the growth we're fostering with a strong smart manufacturing product launch.

In China, we've launched 18 new automation and digitalization products, 16 of which were locally developed, tailored to the market and sharply focused on value for money. Customer feedback has been excellent, and we're exploring many new business opportunities.

Growth – through targeted investments.

- We closed the Altair acquisition at the end of Q2, earlier than expected.
- We've announced the acquisition of Dotmatics – a move that will enable us to expand our offerings into the life sciences industry. I'll say more about this in a moment.
- We've made some smaller bolt-on acquisitions in the software field and exited our wiring accessories business.
- And finally, we've more than doubled our production capacities for electric equipment to power critical infrastructure in the U.S.

We're also increasing our own productivity. We're continuously working to optimize our local value creation – a key success factor for managing tariff turmoil effectively.

And we're making good progress in strengthening competitiveness at Digital Industries' automation business. The plan is to adjust capacities, realign sales activities and intensify global collaboration in product development.

Those of you who visited our packed booth in Hanover experienced firsthand how passionately our teams are driving innovations in collaboration with customers and partners.

The winning formula for scaling: data plus AI plus domain knowhow.

Let me highlight just a few examples.

- First, virtual industrial controls – that is, software-defined automation. We've already introduced this revolutionary technology at Audi, where we've jointly implemented it on one of the carmaker's production lines. The benefits include greater speed and flexibility. We're bringing AI onto the shop floor. Our customer can now analyze data centrally, build its own AI applications and thus improve decision-making. We're growing and scaling together. Because Audi wants to have virtual industrial controls in operation throughout its plant in Neckarsulm, Germany, before the end of this year.

- Second, we've announced a series of new AI-driven Siemens Xcelerator products built together with our powerful ecosystem partners Microsoft, NVIDIA and AWS. For example, photorealistic digital twins to combine the real and digital worlds even better. And the further development of our Siemens Industrial Copilot. In this regard, I'm particularly proud that our development team has received the prestigious Hermes Award – a first for our company.
- And third, our long-standing partnership with Accenture is moving to the next level. A dedicated business unit of up to 7,000 Accenture manufacturing and IT professionals is now being created. These experts will combine Siemens' technology, access to data and deep domain knowhow in software, automation and industrial AI with Accenture's power to apply data and AI. This combination will enable customers to use digital products to raise their engineering and manufacturing to a completely new level. And finally, to imbed AI at the core of their business.

The timing was perfect. We closed the Altair acquisition just before the Hannover Messe, earlier than planned. We now have the most complete AI-powered design and simulation portfolio.

We combined the two teams in time for the trade fair. Customer feedback has been excellent. Integration activities are making good progress. We want to generate cost synergies of more than US$150 million.

We're creating additional synergies with the help of our highly complementary portfolios and by providing the Altair offerings access to our strong sales channels.

And now for another strategic milestone: the planned acquisition of Dotmatics, a very successful, fast-growing and highly profitable U.S.-based leader in R&D software for the life sciences industry.

Dotmatics has built a market-leading software-as-a-service, or SaaS, platform featuring a best-in-class portfolio of scientific applications and a unique, AI-powered multimodal data platform that can simultaneously process, integrate and analyze various types of data.

Why is Dotmatics so attractive for us?

The market for drug discovery is growing and extremely lucrative.

Dotmatics will enable us to get new therapies to people faster and more affordably. The key is to dramatically accelerate the process – that is, to radically shorten the interval between drug discovery and market launch.

Today, the development of a new medication can take over a decade and cost billions. Our new technology will enable us to considerably accelerate this process – from the initial idea to the pharmacy.

All pharma CEOs are searching intensively for ways to make the process faster and more efficient.

And many of our customers have no transparency regarding the various steps in research, development and production. Siloed data, which slows the whole process, is the biggest hurdle.

In addition, the life sciences are now changing rapidly and fundamentally: they’re moving away from wet-labs to dry-labs. That means: simulate and optimize the process in the digital world before mixing liquids in the real world. Our leading automation technology and AI-powered digital twins coupled with our smart infrastructure products are already supporting hundreds of pharma customers.

Today, these customers can produce medicines faster, more flexibly, with greater resource efficiency, in smaller lot sizes and in line with the required high quality standards.

We showcased this complete pharma portfolio at the Hannover Messe.

In addition, Dotmatics will enable us to considerably expand our offerings by combining its R&D portfolio with our leading technologies and deep expertise in manufacturing and industrial AI.

This combination will allow us to eliminate data silos and create a unique end-to-end digital thread from early research and development to full-scale production. We’ll make the whole process more transparent for our customers. They’ll be able to combine and optimize their data with AI.

In short: customers will innovate faster. Medicines will reach patients sooner.

This move will expand our total addressable market by US$11 billion in the area of software for life sciences, a market with stable, double-digit growth.

We’ll also expand the new offerings from pharma into chemicals, biofuels and customer packaged goods.

Our goal is clear – to further strengthen our No. 1 position in industrial software.

Our digital business is on a robust growth trajectory and stands at €4.1 billion after the first half year, up 9 percent.

Besides targeted acquisitions, we're expanding and scaling our Siemens Xcelerator offerings across all businesses.

The importance that innovations and AI, in particular, have for Siemens is fully reflected in the patent rankings. In 2024, we were the No. 1 European company in patent applications at the European Patent Office. Twenty-five percent of these applications were for machine learning and AI – a 60 percent increase in the last five years.

The transition of key parts of Digital Industries' software business to SaaS is continuing to make good progress. Annual recurring revenue, or ARR, growth again reached a very healthy level of 12 percent year-over-year. The cloud portion now stands at €2 billion – or 45 percent of total ARR. The team is on track. And we confirm the target of 50 percent by the end of fiscal 2025.

Let's take a look now at how the current tariff situation is impacting our business.

Siemens' DNA has been global from the very beginning. We've long been active in all key markets and have further expanded our strong global footprint over time.

To estimate the impact of the tariffs, we've thoroughly analyzed our value flows. The situation is, of course, extremely unpredictable.

Based on our assessment and including mitigating actions, we foresee a limited profit impact on our Digital Industries, Smart Infrastructure and Mobility Businesses in fiscal 2025.

Around 80 percent of these businesses' U.S. cost base stems from North America, with the largest share by far from within the U.S.

We're taking comprehensive measures as necessary – for example, in procurement, through price adjustments and by diversifying production capacities.

Our experts are continuously monitoring the situation.

As it reported last week, Siemens Healthineers faces significant headwinds on profits of around €200 million to €300 million.

The various knock-on effects that uncertainty will have on customer behavior, on global demand and on the overall economy are difficult to predict.

And with that, it's over to you, Ralf.

[Ralf P. Thomas]

Good morning, ladies and gentlemen.

A warm welcome to our press conference call from me as well. Let me jump right into the details of our successful performance in the second quarter of fiscal 2025 and share our performance expectations for the remainder of the fiscal year.

We will begin with Digital Industries, or DI. Orders, at €4.3 billion, were at the prior year's level and were up slightly compared to the first quarter of fiscal 2025. The book-to-bill ratio was 1.0.

It was encouraging to see that DI's automation businesses showed 8 percent order growth over the prior year, with low-teens growth in discrete automation, while process automation was flat year-over-year.

As expected, DI's software business was below the prior year on a lower volume of orders for electronic design automation, or EDA.

Orders in DI's software business nearly reached €1.5 billion for a book-to-bill ratio well above 1.

In the underlying market dynamics and in manufacturing output, we saw some initial indications of improvement, primarily in Asia. In the U.S. and Europe, there are signs of stabilization.

However, rising tariffs and growing trade tensions pose a risk to further recovery in important customer verticals such as the automotive and machine building industries. They are also having a negative impact on overall investment sentiment.

In April, we already observed some increased caution among some of our customers in their decisions on placing orders.

As we had expected, destocking of higher inventory levels among our customers in China mostly came to an end by the end of the second quarter.

However, we will, of course, stay in close communication with our Chinese distributors and will continue to monitor stock levels diligently going forward.

Our order backlog at Digital Industries decreased moderately to €9.4 billion. Of this amount, €5.7 billion was attributed to the backlog for DI's software business, which was affected by a weaker U.S. dollar. The backlog in DI's automation business stood at a normalized level of €3.6 billion.

Let's turn now to revenue for DI, which was 5 percent lower and thus slightly ahead of our expectations. In this connection, revenue in DI's automation business was down 6 percent compared to the prior year to €2.9 billion. However, this amount was well above the trough reached in the previous quarter.

In the discrete automation business, revenue declined 8 percent, but with sequential improvement at Factory Automation and at Motion Control. The process automation business was flattish year-over-year.

DI's software business was modestly down by 2 percent. There, the healthy growth of 9 percent in the product lifecycle management, or PLM, business was – as expected – not enough to offset the significant decline in the EDA business.

DI's profit margin, excluding Altair-related transaction costs, reached 15.4 percent, which was an increase over the first quarter.

The transaction costs related to the Altair acquisition weighed on the profit margin with 60 basis points in the second quarter.

In this connection, stringent cost management supported the robust profit margin in DI's automation business, while the profit margin in DI's software business was softer due to a decline in revenue in the EDA business.

Severance charges played only a minor role in the second quarter.

However, we are in ongoing consultations with employee representatives on executing capacity adjustments in Germany and other regions to strengthen competitiveness.

As already indicated, we expect to record material severance charges in the second half of fiscal 2025, with the bulk of these changes likely to occur in the fourth quarter.

Continuing stringent pricing discipline and productivity gains supported an "economic equation" with a net-positive impact in the second quarter, which we will also maintain for fiscal 2025 overall.

In Q2, Digital Industries once again achieved a solid free cash flow of more than €500 million.

Now, let me give you the regional perspective: As mentioned, orders in DI's automation business continued to recover. In China, orders increased sharply by 41 percent compared to a weak prior-year quarter and were just slightly below the strong first quarter of fiscal 2025.

Muted economic conditions still weighed on growth momentum in Germany, while order intake in Italy was up 12 percent over the prior year.

Since effects from corrective destocking have now been largely completed, revenue development has been returning to normal patterns in which this development is again rather closely linked to order intake and actual market demand.

All regions that play a major role in DI's business have improved sequentially. China, up 2 percent, stands out as the first major country to return to year-over-year revenue growth.

Looking ahead, we are sticking to our fiscal 2025 guidance for organic revenue growth in a range of -6 percent to +1 percent.

Assuming that trade tensions will not result in major disruptions to customer demand and to DI's automation business, we expect improving trends in DI's end markets to materialize in the second half of this fiscal year, and we assume that DI's top and bottom lines will benefit from this development.

Consequently, we expect the order situation in DI's automation business to continue its gradual recovery.

Nevertheless, the degree of uncertainty is currently substantially elevated. Consequently, we will monitor feedback from customers and distributors very closely.

DI's software business will continue its consistent underlying growth trend, building on the transformation to software as a service, or SaaS. This transformation remains highly successful.

As indicated in past quarters, the extraordinary large-scale software-license contracts booked in Q3 of fiscal 2024 will not repeat on this exceptionally high level in the second half of fiscal 2025.

As a result, we expect comparable revenue growth for DI’s software business in fiscal 2025 to be negative within a percentage range in the low-to-mid single digits.

In nominal terms, we expect the Altair business to add around €300 million to revenue.

For the second half-year, we expect the operational profit margin to improve in line with several factors: recovering automation revenue; unfolding productivity measures; and a seasonally strong fourth quarter in the software business, driven by the EDA business.

However, as I mentioned earlier, material severance charges will burden the margin.

We confirm that the profit margin will be in the range of 15 percent to 19 percent.

For the third quarter, we see Digital Industries’ orders above Q1 of fiscal 2025 and, on a comparable level, below Q2 of fiscal 2024 by a mid-single-digit percentage.

In this connection, we also expect DI’s automation business to improve significantly, but with substantially lower volumes in DI’s software business due to the very high level in the prior-year quarter.

We expect DI’s revenue to decline by a percentage in the high single digits on a comparable basis.

In addition, we assume that revenue in DI’s automation business will grow moderately. DI’s software business, on the other hand, will be substantially below the prior year’s Q3 on lower volume from large license deals in the PLM and EDA businesses. As discussed back then, there had been an exceptionally high level of such deals in that quarter.

For Q3, we expect DI’s profit margin, excluding Altair, to be at around the midpoint of DI’s annual guidance range.

Now let’s turn to Smart Infrastructure, or SI. In Q2, SI again delivered outstanding performance. The SI team achieved strong revenue growth in healthy end markets and again demonstrated continuous improvement in its operational profit margin – for which it has now achieved year-over-year improvement for the 18th quarter in a row.

In total, orders at Smart Infrastructure were down 3 percent at a consistently high level of €6.0 billion. Within this amount, orders were up 9 percent in the electrification business, which benefited from a series of large contracts from customers in the semiconductor and power utilities industries.

On the other hand, orders in the electrical products business declined 16 percent due to fewer major data center orders in the U.S. compared to Q2 of fiscal 2024. This decline was mainly caused by slower project activity from one specific customer in the hyperscaler space.

Overall, business in the data center vertical remained sound with a book-to-bill ratio above 1.

Smart Infrastructure’s book-to-bill ratio reached a healthy 1.04.

SI’s strong order backlog of €19.6 billion provides very good visibility for the second half of fiscal 2025.

Revenue growth in the second quarter was broad-based and, at 10 percent, it even slightly topped our expectations. The largest contribution to this growth came from the electrification business, which was up 18 percent.

Up 8 percent, the electrical products business also continued its growth path from a high level.

The buildings business posted 5 percent growth in revenue, driven by the solutions business and sustainability projects.

In the first half of fiscal 2025, revenue in the data center business grew sharply by more than 45 percent to around €1.3 billion.

Flawless backlog execution again led to further expansion of the operational profit margin by 190 basis points year-over-year to 18.5 percent.

Economies of scale due to higher revenue and higher capacity utilization continued to contribute to Smart Infrastructure’s excellent results.

Smart Infrastructure’s economic equation was once again clearly positive, supported by stringent pricing and sustainable productivity gains, which more than compensated for cost increases.

Positive currency effects also contributed 40 basis points to margin improvement.

In addition, the successful exit from the wiring accessories business improved the profit margin as reported by 550 basis points to 24 percent.

Smart Infrastructure achieved outstanding free cash flow of almost €1 billion on strong operational cash conversion of 0.92, supported by the reduction of operating working capital.

Looking at the regional development in orders and revenue, SI saw robust demand with strong order momentum in some cases across most geographies, driven by Germany, with several large orders from various verticals in the electrification business.

SI's orders in the U.S. were down 17 percent. This decline was due to the very high basis of comparison with record-high orders in the data center business in the second quarter of fiscal 2024.

China showed improving topline development across all SI businesses compared to the weak prior-year quarter.

Revenue growth in all regions was fueled by excellent backlog execution.

SI's revenue in the U.S. again grew by an outstanding 16 percent. Key growth engines were the electrification and electrical products businesses, driven by successful execution of data center projects.

The service business delivered 6 percent growth, fueled by Europe.

In SI's key end-markets, we continue to expect very consistent and resilient demand trends, with growth in its main verticals.

Therefore, we confirm SI's fiscal 2025 guidance of 6 percent to 9 percent comparable revenue growth.

We also assume that Smart Infrastructure's operational profit margin in fiscal 2025 will be in the range of 17 to 18 percent, excluding the gain from exiting the wiring accessories business.

For the third quarter, we see Smart Infrastructure's comparable growth rate for revenue being at around the midpoint of the full-year guidance range of 6 percent to 9 percent. In particular, the high order backlog gives us great confidence in this respect.

In addition, we anticipate that Smart Infrastructure's profit margin in the third quarter will be in the range of 17 percent to 18 percent.

Let's turn now to Mobility. Mobility delivered a strong second-quarter performance.

With orders at €3.9 billion, Mobility posted an increase that was due, in particular, to large and mid-sized orders with attractive margin profiles in the rolling-stock and rail-infrastructure businesses. Several orders were not booked until around the end of the quarter.

In Mobility's order backlog of €49 billion, we are seeing further improvement in the gross margin. This backlog includes more than €14 billion of attractive service business.

Revenue was up 12 percent at Mobility in Q2. This growth was fueled by strong backlog execution in the rolling stock business, which exceeded expectations, and by a growing contribution from the customer services business.

Due to strength in the customer services business and to stringent project execution, Mobility's profit margin reached 9.1 percent.

Mobility's free cash flow was better than expected but was still on a low level in absolute terms.

Looking at project payment profiles and the foreseeable timing of large order awards, we expect a material catch-up in free cash flow in the second half of fiscal 2025.

Our sales funnel continues to look very promising for the second half of fiscal 2025, but it will be skewed toward the fourth quarter.

Specifically, the teams are progressing and working hard to reach the financial closing for the Red Line and Blue Line projects in Egypt.

We are confident that, as indicated, we will book this order as order intake in the second half of fiscal 2025.

For the third quarter, we expect Mobility's revenue growth to approach the mid teens from a low basis of comparison.

In addition, we assume that Mobility's third-quarter profit margin will also be within the target range of 8 percent to 10 percent for its full-year margin guidance.

Let me keep the commentary on our activities below our Industrial Businesses brief.

Siemens Financial Services, achieved a strong Q2 performance, driven by a substantial gain in the equity business from selling the remaining stake in Bangalore airport; this sale closed a highly successful chapter in India.

From today's perspective, we continue to assume that earnings before taxes for Siemens Financial Services in fiscal 2025 will be on the prior-year level.

I am again very pleased with our free cash flow performance in the first half-year, which clearly topped the prior-year's level in our Industrial Business as well as on an all-in basis.

Stringent working capital management continued successfully, even though the strong commercial activity led to a net increase of about €300 million in operating working capital. This increase was driven solely by higher receivables.

We are very confident that we will be able to deliver excellent levels of double-digit cash return on revenue once again in fiscal 2025.

In addition, we continued our path of shareholder-friendly capital allocation and distributed a dividend payment of €4.1 billion in February 2025.

Our ongoing share buyback program is also progressing very well and is ahead of our original schedule. A volume of more than €2 billion has already been repurchased since the program began 15 months ago.

With a capital structure of 1.1 for industrial net debt over EBITDA, and with an industry-leading AA investment-grade rating by S&P and Moody's, we continue to act from a position of financial strength – even after closing the Altair acquisition.

Liquidity outside free cash flow was materially strengthened by more than €4 billion in proceeds from selling shares in Siemens Energy AG and Siemens Healthineers AG as well as from exiting the wiring accessories business.

This is a sound basis for maintaining our stringent capital allocation in the future, and we will continue to balance investments and attractive shareholder returns.

As mentioned, we expect strong operational cash generation in the second half-year. In addition, we can draw on substantial financing potential from the sale of shares in listed entities, as previously announced.

As a result, we are well prepared for upcoming financing needs, such as the Dotmatics acquisition.

Now let me point out our assumptions for our outlook for fiscal 2025, which we have updated as follows:

Our expectations regarding R&D intensity are unchanged; it will at least be on the high level of fiscal 2024.

They are also unchanged regarding selective investment in growth fields. These investments will keep selling and general administrative expenses as a percentage of revenue on par with the prior year.

As previously discussed, we now assume higher expenses for adjustments in fiscal 2025, particularly at DI.

Therefore, we currently expect severance charges in the range of €500 million to €600 million.

We recorded a modest tailwind from currency effects in the first half-year. However, based on current exchange rates, we expect it to turn into a headwind for the second half of fiscal 2025.

Let me now say a few words on taking Altair into account:

We successfully closed the acquisition earlier than expected and right before the end of Q2. Since then, our joint teams have been diligently working on the integration to swiftly start realizing the planned synergies.

For the time being, we are not yet including the Altair effects in our guidance for fiscal 2025, because we are still in the process of assessing the phasing and impact of certain details of post-closing and integration activities.

For modeling purposes, however, you can assume for fiscal 2025 a negative impact in the range of €0.30 to €0.40 on basic earnings per share before effects from purchase-price-allocation accounting – or "EPS pre PPA," for short. This range includes bridge financing for early closing of the acquisition.

For the second half of fiscal 2025, you can assume an amount of around €100 million for additional effects from purchase price allocation, or PPA.

We will inform you about further details of the additional financial implications of the Altair acquisition with our third quarter results.

That now takes us to our guidance for the Siemens Group, which we confirm despite increased uncertainty in the economic environment.

For the Siemens Group, we expect comparable revenue growth in the range of 3 percent to 7 percent and a book-to-bill ratio above 1.

We expect basic EPS from net income before purchase price allocation accounting (EPS pre PPA) for fiscal 2025 in a range of €10.40 to €11.00.

This excludes a positive effect of €2.64 per share related to the sale of Innomotics. As mentioned, the effects related to the acquisition of Altair –which closed successfully and earlier than expected at the end of Q2 FY 2025 and is, therefore, not yet included either.

As always, this outlook excludes burdens from legal and regulatory matters.

The direction for all the action we are taking remains unchanged: We will continue to create value through profitable growth, reliable and continuous generation of high free cash flows, and prudent allocation of the capital that we have been entrusted with.

Thank you for your attention and your interest in our company. We are now looking forward to your questions.

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