SIEMENS

Shareholder Letter Q2 FY 2023

Siemens Investor Relations

Orders
€23.6bn
+15%[1]

Revenue
€19.4bn
+15%[1]

Free Cash Flow (all-in)
€2.3bn

Profit margin Ind. Business
14.2%

Earnings per share pre PPA[2]
€2.56
€4.57 incl. S'Energy impairment reversal

Digital Industries

Revenue +23%[1] | Profit margin: 23.5%

Smart Infrastructure

Revenue +21%[1] | Profit margin: 15.9%

Mobility

Revenue +33%[1] | Profit margin: 9.2%

Siemens Healthineers[3]

Revenue -3%[1] | Profit margin: 5.4%

1 On a comparable basis, adjusted for currency translation and portfolio effects
2 Purchase price allocation
3 Publicly listed subsidiary of Siemens; Siemens' share in Siemens Healthineers: 75 percent

Ladies and Gentlemen,

Following a flying start to fiscal 2023, Siemens continued its outstanding performance in the second quarter. At €24 billion, order intake again substantially exceeded the high revenue level to drive the order backlog to another all-time high of €105 billion. The largest contract win of the quarter was a €2.9 billion order for locomotives and associated maintenance in India, a very exciting and dynamic market for us. Thanks in part to the accelerated conversion of our backlog – also due to the increased availability of components – we grew revenue faster than originally expected. And there was also good news regarding profit: our Digital Industries and Smart Infrastructure businesses both achieved their highest quarterly profit ever. In addition, net income benefited from a €1.6 billion tax-free gain from the reversal of an impairment of our stake in Siemens Energy AG. As expected, free cash flow at our Industrial Business was a very strong €2.7 billion.

We continue to be optimistic about the second half of the year. Visibility has increased further, giving us the confidence to again raise our guidance – both on revenue growth and earnings. Full details on the second quarter and our outlook are available in our Earnings Release.

Siemens combines the real and the digital worlds. At Hannover Messe in April, we demonstrated how we enable our customers to become more competitive, resilient and sustainable. A highlight was the world premiere of Industrial Operations X, our open and interoperable portfolio for automating and operating industrial production. We're excited to introduce this innovation to you on page 3 below.

Thank you for your trust and interest in Siemens.

With best regards,

Eva Scherer, Head of Investor Relations, Siemens AG

Siemens continues its outstanding performance, delivering several records, including impressive margin increases and all-time highs in profit for Digital Industries and Smart Infrastructure, as well as another record in order backlog. Our very strong results show that we have the right strategy, the right technology, and the right team to support our customers in becoming more competitive, resilient and sustainable.

Roland Busch, President and CEO

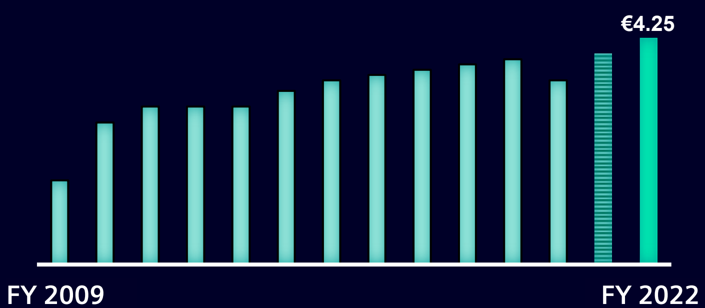
We have delivered what we promised: We converted our fantastic revenue growth into high profit and ultimately into strong free cash flow. That is execution at its best, giving us the confidence to raise our guidance.

Ralf P. Thomas, CFO

Strong focus on shareholder return

Pursuing a progressive dividend policy

Dividend yield in FY 2022: 4.2%
based on share price of €101.20 as of Sept. 30, 2022



Current €3bn share buyback (2021-2026e)

1 Does not include dividend payout for FY22 of €3.4bn (paid out in FY23)
2 As of May 12, 2023

Alstom +61% | **ABB** +37% | **Schneider** +39% | **Rockwell** +29% | **Dassault** +2% (each TSR[3])

Source: Refinitiv as of May 17, 2023 5:40pm CEST

3 Total shareholder return (TSR) = Return on share price development incl. dividend reinvestment

Industrial Operations X: IT and software capabilities for automation

Strained supply chains, geopolitical uncertainties, skilled-labor shortages and climate change are **increasing the pressure to digitalize and automate value chains** – always with the aim of becoming **faster**, **more adaptable** and **more resilient**. Last month at Hannover Messe, Siemens showcased how **new offerings from Siemens Xcelerator** (Q3/22 shareholder letter), enable customers' digital transformation in industry and infrastructure faster and at scale. With **Industrial Operations X**, Siemens is setting a new benchmark with a broad range of products and services for industry. These offerings **combine operational technology (OT) with integrated information technology (IT)**. This open and interoperable portfolio will further accelerate today's production processes. The result will be a more **adaptive form of manufacturing.**

Use-Case

Siemens is expanding its footprint in the **battery manufacturing industry**. We have recently signed several partnerships with leading companies, demonstrating our **deep domain know-how in this dynamic and fast-growing market**. At Hannover Messe, we announced our **partnership with FREYR Battery**, a Norwegian producer of **battery solutions**.

- Siemens and FREYR will join forces along the **entire battery design and manufacturing process** - from production design, planning and simulation to the automation of the entire production process.
- We will provide a **broad range of solutions from the Xcelerator portfolio** including Product Lifecycle Management (PLM), industrial Edge computing, and tools for IT/OT connectivity.
- By leveraging **Industrial Operations X**, FREYR will be able to better **connect design and manufacturing to scale-up production**, speeding up FREYR's progress towards its planned gigafactories.

The whole world loves IT, but the world runs on automation that uses operating technology, or OT. By combining the real and digital worlds like no other company, we make our customers faster, more adaptable and more ecofriendly.

Cedrik Neike
Member of the Managing Board of Siemens AG and CEO Digital Industries

Learn more on how Siemens combines the real and digital worlds and visit our Hannover Messe 2023 Digital Experience: LINK

Did you know …

… that up to **90% of a product's CO2 footprint** is created through the **supply chain?**[1]

This makes decarbonization a **cross-industry effort**. Companies need **solutions to exchange reliable, verifiable data to quantify and reduce the CO2 footprint** for each of their products.

Yesterday, we announced that '**Together for Sustainability**', an initiative of 47 chemical companies – including some of the largest chemical groups – **chose Siemens' SiGREEN solution for digital exchange of Product Carbon Footprint (PCF) data**. TfS is a global initiative to promote sustainability in the chemical industry's supply chain.

SiGREEN enables the **secure and trustworthy exchange of PCF data throughout the supply chain**. This information can then be combined with the **data from a company's own value creation processes to determine carbon footprints** and enables companies to take **targeted reduction measures** with a quantifiable effect. **SiGREEN** supports companies on their journey to **climate-neutral value chains** and enables them to leverage **sustainability as a decisive competitive factor**.

- Learn more about SiGREEN
- Read the Press Release

1 Source: CDP 2022 Global Supply Chain Report

Financial Calendar

Aug 10, 2023 3rd quarter results FY23

Nov 16, 2023 4th quarter results FY23

For further information, please click here.

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Notes and Forward-Looking Statements