SIEMENS

SPEECH FOR PRESS CALL

Q3 2023

"CONTINUED PROFITABLE GROWTH AND EXCELLENT FREE CASH FLOW"

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Munich, August 10, 2023

Check against delivery.

[Roland Busch]

Ladies and gentlemen,

and thank you very much for your interest in our quarterly figures. I'd like to start today with the highlights of our third quarter.

We continue to see profitable growth, we're creating value and are – again – very competitive at all our businesses. We're extremely pleased with this strong performance.

Reflecting these achievements, revenue grew strongly, increasing 10 percent on a comparable basis to nearly €19 billion.

Growth was broad-based. Digital Industries, Smart Infrastructure and Mobility all generated double-digit growth, while Smart Infrastructure stood out with revenue growth of 15 percent.

Revenue at Siemens Healthineers was up 10 percent, excluding the effects of antigen tests in Q3 2022.

Digital Industries' automation business continued to grow by 15 percent from an already very high level – outperforming most of its peers.

And Smart Infrastructure also continued to demonstrate great competitive strength. For example, its electrification business grew 22 percent, with strong momentum at customers in the areas of power distribution and data centers.

Over the past few months, I've spoken to many customers from various industries worldwide about how they can accelerate their digital and sustainability-related transformations.

I always say: Siemens combines the real and the digital worlds like no one else. This strategy helps customers master their challenges, and – as a result – they trust Siemens. They trust our technologies, our strong execution and our extensive domain knowhow. For us, this trust means that – in the years to come – we'll benefit over-proportionally from long-term investment trends.

As expected, industrial customers are normalizing their purchasing behavior in the short-cycle businesses. They're also adjusting their inventory levels in line with the more relaxed supply chain situation.

In Q3, the normalization of demand was clearly visible in orders at our short-cycle businesses, most notably in China, but also in Europe.

Softer order development and the destocking of inventories had knock-on effects: lower demand for certain short-cycle products that are shipped and invoiced directly and some delivery postponements by customers prevented Digital Industries from achieving even higher revenue growth.

Recovery in China's manufacturing sector has been slower than anticipated. As a result, we expect the trend to stay flat. This development depends not only on the macroeconomic situation, but also on the timing and implementation of government investment stimulus programs as well as on when private consumption picks up.

Overall, orders grew 15 percent to €24.2 billion. This increase was driven by Mobility's highest-ever quarterly order intake. Several large contract wins pushed orders to more than €8 billion.

I'd also like to highlight the strong demand at Smart Infrastructure, which was on a par with the high level of Q3 2022.

The book-to-bill ratio was an excellent 1.28, pushing our order backlog to the record level of €110 billion.

We're rigorously converting the order backlog. As a result, Profit Industrial Business was very strong, totaling €2.8 billion.

Digital Industries and Smart Infrastructure were highly profitable: the profit margin at Digital Industries was 21.1 percent and at Smart Infrastructure 15.6 percent.

Our excellent free cash flow, in particular, clearly sets us apart from our competitors: €3.1 billion at the Industrial Business was an outstanding achievement.

At Digital Industries, the transition to software-as-a-service – or in short SaaS – is fully on track. Annual recurring revenue at our cloud business, cloud ARR, is approaching the €1 billion mark and accounts for around 27 percent of our total ARR. In Q3, ARR growth was again at 14 percent.

We consistently deliver solid results, and we're executing our strategy successfully and rigorously.

Our global €2 billion investment strategy will enable us to boost our future growth, innovation and resilience.

In addition, we've further optimized our portfolio.

Innomotics – the global motors and large drives champion – is now a legally separate company in Germany and has its own strong global brand.

In a next step, we reduced our stake in Siemens Energy to 25.1 percent. We transferred 6.8 percent to Siemens Pension-Trust.

And we'll continue to further wind down our stake.

I don't need to emphasize that the repeated massive losses and quality deficiencies at Siemens Energy's wind business have been a major disappointment.

But back to our operating business. After an excellent performance in the first three quarters, we're focusing on effectively leveraging our large order backlog. We'll maintain a positive economic equation between inflation on the cost side and productivity increases and price adjustments on the other side.

For this reason, we confirm our guidance for fiscal 2023: revenue growth of 9 percent to 11 percent and basic earnings per share before purchase price allocation accounting – or EPS pre PPA – of €9.60 to €9.90, excluding our Siemens Energy investment.

I'd like to highlight two more topics connected with the figures.

The Industrial Business's profit margin was a healthy 15.3 percent.

Our operating strength was reflected in EPS pre PPA of €2.60. This figure does not include our stake in Siemens Energy.

Including the Siemens Energy effect, EPS pre PPA totaled €1.78.

Fueled again by strong demand for our systems, solutions and services, our order backlog reached €110 billion, another record level.

As I mentioned, the purchasing behavior of customers in the short-cycle businesses at Digital Industries and Smart Infrastructure is normalizing.

And customers were intensifying destocking due to shorter lead times and improved component availability.

This trend will continue over the next few quarters. As a result, our order backlog in the short-cycle products and systems businesses will decline to a more sustainable level.

We expect backlog levels at both Smart Infrastructure and Digital Industries to remain elevated at the start of fiscal 2024.

It's also quite clear: the long-term growth trends in our markets are fully intact – even if we may have quarters with more volatile macroeconomic developments ahead of us. But the demand for more automation and digitalization and for sustainable solutions will increase.

In many countries, the workforce is shrinking. This is especially true in China, where the labor market will lack more than 80 million people by 2040.

There's also a need for electrification, resource efficiency, the decarbonization of the industrial sector, mobility, better infrastructures and flexible production. We can only meet these needs with a significantly higher degree of automation and digitalization.

This, in turn, will require substantial investments worldwide driven also by government programs in various countries.

The countries and companies that implement these investments the fastest will be the most successful.

To tap this potential, we're making substantial investments, also globally. Our investment strategy: €2 billion this year for new high-tech factories and the expansion of our manufacturing capacities as well as innovation labs and education centers.

As a result, we're significantly boosting our high competitiveness, our global presence and our growth in key markets.

In Q3, we announced three major steps that will help Digital Industries expand its geographically balanced presence and generate further growth in the current decade.

To meet strong demand in Southeast Asia, we're building a highly automated and digitalized factory for our factory automation business in Singapore.

To significantly reduce planning and operating costs, we'll develop the factory entirely in the industrial metaverse. We'll create 400 jobs. Production is scheduled to start in the fall of 2025.

Our factory in Chengdu – a twin of our factory in Amberg, Germany – has continuously expanded since it began operation in 2013.

To implement our regional strategy and support our leading market position in China, we'll expand capacity in Chengdu by 40 percent.

The Chinese government wants to strengthen the country's manufacturing sector. This is a great opportunity for us to drive automation and digitalization in China since the country boasts more than 360,000 small and medium-sized enterprises in the manufacturing sector.

And the third step we announced was a €500 million investment for a net-zero technology campus in Erlangen, Germany.

We're revolutionizing our production processes – in a strong ecosystem of partners – making these processes more efficient, more flexible and more sustainable.

We intend to expand and modernize our world-class factory for power converters and machine tool controls in Erlangen by 2029.

We're also bundling all our technology activities for the industrial metaverse on this campus.

In Erlangen, we'll achieve a new level of productivity by using technologies such as artificial intelligence (AI), generative language models and 3D printing.

Further investments in the U.S. will follow soon. They'll support growth at Smart Infrastructure.

The Smart Infrastructure and Digital Industries teams have done an excellent job in recent years of bundling and expanding capacities at our global data center business.

The key to success is predefined standards for the complete range of low- and medium-voltage electrification, building automation and services.

We can tailor these standards to specific customer requirements. As a result, customers' data centers are more reliable, more energy efficient and more cost-effective over their entire lifecycles.

Greenergy Data Centers in Estonia is a great example. For this company, we implemented the most sustainable data center in the Baltic countries – with cooling that works with AI.

Other important components of our offering are services and financing from Siemens Financial Services.

In this highly attractive market, we’ve achieved 25 percent growth in each of the last two years. And we’re gaining market share in this area.

The U.S. is the largest market by far. The majority of hyperscalers, who are our biggest customers, are based in the U.S. We see huge potential here.

The boom in generative AI models will continue to drive strong demand, as Google, for example, has recently explained.

We’re making good progress in the strategic transition of Digital Industries’ product lifecycle business to SaaS.

What are we basing this progress on?

As I mentioned, we’re fully on track. Cloud ARR, which has a share of around 27 percent, was close to €1 billion.

More than 9,200 customers have now opted for this business model. The share of small and medium-sized enterprises continues to rise.

Of the total number, 76 percent are new customers – clear evidence that we’re expanding our existing customer base.

The customer transformation rate reached a new quarterly high of 94 percent. This figure shows that our offering is attractive.

We’re continuing to invest in this area and drive the transition.

Our digital business remains on a strong growth trajectory. After the first nine months, we’re at €5.1 billion.

We’re fully on track to exceed 10 percent growth for the full year – despite the ongoing SaaS transition at Digital Industries.

Growth will be further supported by the expansion of Siemens Xcelerator, our digital business platform.

An example for our customers in the area of electronics manufacturing shows how well the modules in our portfolio complement one another. Our solution enables these customers to cut costs, produce more flexibly and make better decisions about components during the design phase.

We’re also combining our leading design and analysis technology – part of our electronic design automation (EDA) offering – with the intelligent Supplyframe platform, which provides data on availability and lead times for 600 million components.

Optimal power grid management is crucial for the energy transition. More and more green electricity has to be transported, and its share fluctuates. Operators of low-voltage grids are faced with the problem of how to increase grid capacity. How can they get information about critical parts of the networks? How can they reduce outages?

Our LV Insights X software solves these problems. It’s an industry first! Our digital twin gives network operators easy access to their data while enabling them to improve planning and increase capacities without enlarging their grids.

We’re constantly expanding our digital portfolio through acquisitions. Optrail is a good example. Its unique algorithms complement our Hacon train planning system.

Sustainability is another long-term trend that’s crucial for our customers.

Pfizer’s new facility in Freiburg, Germany, is a great example of how we combine our core technologies, domain knowhow and synergies Siemenswide to increase customer sustainability and create customer value.

The Pfizer plant produces drugs in specific, ultra-clean conditions.

We combine software and automation for clean room production with smart building management and services.

As a result, the plant now uses 40 percent less energy, operates paper-free and produces up to 12 billion tablets and capsules a year instead of the previous 5 billion. The facility also meets the highest safety standards for its products and for its people who work there.

We’re seeing new facilities like this springing up again in Europe and the U.S. – a development that holds great potential for us.

Maeve Aerospace is another example. This startup aims to decarbonize air transport. Like many other innovative companies in the aerospace industry, Maeve is using our broad range of design and simulation software to develop fully electric, emission-free passenger aircraft.

Finally, I’d like to talk about Mobility, our order champion. Siemens Xcelerator plays an increasingly important role here, too. At Mobility, the solution is Railigent X, a platform for remote data analytics and maintenance.

In England, we’ve been awarded an eight-year, €530 million service contract. Using Railigent X, the operator Transpennine can offer its customers maximum comfort and availability. To achieve this goal, Transpennine’s 20-year-old fleet has been modernized with digital technology.

Railigent X can also optimize lifecycle costs for fully connected, energy-efficient trains.

This advantage was a key argument for S-Bahn München, Munich’s suburban train operator.

S-Bahn München opted for Siemens and is investing €2.1 billion in expanding and modernizing its fleet.

The new suburban trains will offer maximum comfort with capacity for 1,800 people, replacing more than 1,500 automobiles during rush hour.

Before I hand over to Ralf Thomas, I’d like to emphasize: we’re steering Siemens on a mid- and long-term success trajectory. We’re enabling our customers to achieve more with less.

We’re making targeted investments in growth markets and – as a result – driving profitable growth and generating cash at the highest level.

And now, Ralf, please add the details regarding our operating performance and the outlook for Q4.

[Ralf P. Thomas]

Ladies and gentlemen,

Good morning, everyone. Let me turn directly to the details on our third quarter, in which we continued to drive our profitable growth and – in the important area of cash generation – achieved leading results across all our businesses.

We will begin with Digital Industries, or DI.

In total, at €4.1 billion, orders at DI were down 35 percent compared to the extremely strong prior-year quarter. This decline led to a book-to-bill ratio of 0.77.

The book-to-bill ratio for the first three quarters of fiscal 2023 stands at a very solid level of 0.98.

The discrete automation business was the main driver for order normalization.

In DI's short-cycle automation businesses, we saw continued normalization of order patterns on accelerated levels in the third quarter. Working under the assumption that lead times would continue to shorten, original equipment manufacturers, or OEMs, and distributors, especially in China, continued to reduce their inventory levels.

Combined with the revenue momentum, which remains substantial, this situation led to clear consumption of the order backlog in automation.

DI's software business saw growth in the mid-single-digit percentage range, benefiting from larger contract wins in the product lifecycle management, or PLM, business. In the electronic design automation, or EDA, business, some projects shifted into the fourth quarter, which also had a dampening effect on revenue.

Digital Industries' substantial order backlog decreased to the still-elevated level of €12.5 billion.

Of this amount, automation accounted for €8.1 billion, which was around €1.5 billion lower than in the second quarter, as expected.

As has been the case before, cancellations by our customers remained on a very low level in the third quarter, too.

Let’s turn now to Digital Industries’ revenue, which was up significantly by 11.5 percent.

In DI’s automation businesses, revenue rose 15 percent.

Discrete automation was up 14 percent, while process automation even topped this performance, with revenue growth of 19 percent.

DI’s software business was up slightly, by 1 percent. Here, we expect considerable acceleration of growth in the fourth quarter.

Overall, DI’s growth in the third quarter was below our initial expectations, which was predominantly due to a softer development in China and to the project shifts in the EDA business that I mentioned earlier.

Especially in China, factors that dampened revenue had impact: Order intake for fast-turning book-and-bill products came in lower. In addition, some end customers – and, above all, distributors – postponed deliveries at short notice to optimize their inventory levels.

Such patterns are very hard to predict; we cannot rule out that, during this phase of unwinding from still-elevated backlog levels, we may continue to see erratic patterns at short notice as we saw in Q3 of fiscal 2023.

Global component availability improved further, especially for our high-margin products, and our team did a great job of running the factories at high levels of capacity utilization.

Although the risk of component shortages has since become rather low, we are staying alert in order to continue to achieve an optimal balance of our supply chains.

Of course, the resulting shortening of delivery times is also contributing to the normalization of order patterns and thus to accelerated unwinding of the backlog.

Digital Industry’s profit margin was, at 21.1 percent, again at a high level.

Once more, the automation businesses drove performance, while the software business had a softer quarter due to the ongoing software-as-a-service, or SaaS, transition and to the shifts in orders within the EDA business.

In the third quarter, too, productivity gains and price increases from previous quarters again enabled us to more than compensate for cost inflation.

Although we will see increasing effects from higher wages and salaries as well as other inflation-driven cost increases over the next quarters, we are very confident that our so-called economic equation will again remain net positive in the fourth quarter.

Regarding free cash flow, the DI team once again clearly outperformed the competition and delivered an outstanding level of €1.1 billion. The cash conversion rate in Q3 was 0.99, which was even well above the targeted level.

DI’s level of operating working capital – and of inventories, in particular – is intentionally still elevated to safeguard high-quality revenue growth.

The overview shown in the presentation gives you a longer-term perspective on the extreme momentum of orders being pulled forward to a large extent during the past two years. This situation led to exceptional elevation of DI’s order backlog for short-cycle products.

As we have already discussed, normalization – also due, in particular, to shortening lead times – is, in this respect, a necessary and healthy development.

Due to this continuing normalization, we expect around €4.5 billion of Digital Industries’ backlog to convert into revenue in the fourth quarter of fiscal 2023.

As we have indicated multiple times, this conversion will also lead to a book-to-bill ratio below 1 for fiscal 2023, and it will further reduce order backlog in automation. In the fourth quarter, the software business will partially compensate for this reduction.

We expect normalization of order patterns and continuous destocking on the part of our customers to also continue in the fourth quarter and into fiscal 2024.

Nevertheless, backlog levels at the end of fiscal 2023 will still be at a very high level and will provide corresponding “visibility” for revenue development into fiscal 2024, although we cannot rule out the possibility of erratic patterns in individual quarters.

Let’s look now at the development of our key vertical end markets:

For the next quarters, we expect a moderation of growth momentum on high levels. In part, this moderation will be driven by effects from destocking on the part of our customers and by fading effects from price inflation.

Our sales team is very close to our customers and knows our markets extremely well. Over the short term, our team sees a certain softening of investment sentiment; over the long term, the growth trends in automation and digitalization with a focus on sustainability remain fully intact.

Now, let me give you the regional perspective, which you can see in the presentation:

As mentioned, demand in DI's automation business normalized compared to the extraordinary growth in the previous two fiscal years.

As we already reported last year, orders had benefited – especially in fiscal 2022 – from massive pull-forward effects in ordering. These effects had most notably been visible in China and Europe. The figures for fiscal 2021 and fiscal 2022 that are set out in the presentation show this effect vividly.

As expected, the start into the fourth quarter is also signaling further normalization.

In the area of revenue, the strong growth in the automation businesses in Q3 was broad-based across all regions, except for China. Revenue in China was flat compared to the very strong prior-year quarter.

In addition, the previously mentioned significant reduction in fast-turning book-and-bill business slowed growth.

Further details on the regions are available in the presentation.

Looking ahead, our teams are fully committed to also continue leveraging improved global component availability to achieve stringent backlog conversion in order to meet customer expectations as best possible.

Since Digital Industries saw faster normalization of demand in the third quarter, which we expect to continue in Q4, we adjust our guidance for revenue growth to 13 percent to 15 percent for the full fiscal year 2023.

In light of this development, the outlook for DI's profit margin is now in the range of 22 percent to 23 percent.

From today's perspective, for the fourth quarter, we anticipate that Digital Industries will achieve revenue growth below the new guidance range due to the strong prior-year quarter.

We expect the profit margin to be in the updated range for the full fiscal year.

As indicated, a key driver for growth and profitability in Q4 will be the software business. While the PLM business will continue to be affected by the ongoing SaaS transition, there will be a material improvement in orders, revenue and profitability in the EDA business.

Now let me turn to Smart Infrastructure’s outstanding third-quarter performance, which was truly impressive – and was so across all metrics.

In robust end markets, the team at Smart Infrastructure, or SI, increased its backlog to another record level: €16.5 billion.

Through its growth in orders and revenue in Q3, Smart Infrastructure demonstrated clear competitive strength.

Profitability was at the upper limit of the target range, combined with an excellent cash conversion rate.

In total, orders were close to the very high prior-year level, driven by an excellent 14 percent growth in the electrification business.

This business was fueled by a steady flow of larger orders based on scalable solutions in data centers, battery manufacturing and power distribution. In this regard, the electrification business clearly benefits from the secular trends of decarbonization and electrification.

Orders in the electrical products business were 11 percent lower on normalizing demand trends compared to the strong prior-year quarter. The buildings business was down 5 percent.

Overall, these developments led to a very healthy book-to-bill ratio of 1.09.

Revenue growth reached a remarkable 15 percent, with the largest contributions coming from the electrification business, up 22 percent, and the electrical products business, up 16 percent.

The SI team managed its supply and logistic chains very successfully in Q3, too.

As a result, this was Smart Infrastructure’s best third quarter ever with a profit margin of 15.6 percent. Economies of scale and increased capacity utilization based on significant revenue growth, as well as ongoing structural cost improvements from the competitiveness program, contributed to this excellent result.

Productivity gains and pricing actions again more than compensated for headwinds from cost inflation, which were mainly due to increased wage and salary costs. We expect this development to continue in the fourth quarter.

Smart Infrastructure maintained its path of outstanding cash generation with a cash conversion rate of 0.95, despite substantial revenue growth.

Operating working capital increased on higher receivables due to the rising top line, while inventory levels were stable at the level of the prior-year quarter.

For the fourth quarter of fiscal 2023, too, we expect strong cash performance at Smart Infrastructure.

We continue to see nominal and real-term growth in all key vertical end-markets, still fueled by backlog execution and, in part, by better pricing.

However, we expect the commercial buildings market to further decelerate to a low single-digit growth rate due to a global environment of rising interest rates.

The area of power distribution continues to show strong growth rates on ongoing expansion of renewable energies, greater adoption of electric vehicles and increasing electrification.

And Roland already presented the attractive market for data centers to you.

Let’s turn now to the regional development:

SI saw robust demand on high levels with strong order momentum and some large projects in the U.S.

In Germany, orders were down 5 percent overall.

In China, we posted a decline of 13 percent due to the slow economic recovery and softness in the commercial buildings market.

SI saw a double-digit increase in revenue across the board. Here, the U.S. again stood out with impressive 22 percent growth.

Smart Infrastructure continues its impressive track-record.

We confirm the full-year guidance of revenue growth of 14 percent to 16 percent and a profit margin in the range of 14.5 percent to 15.5 percent.

In Q4, we see demand further normalizing in the product businesses. Order momentum in the electrification business is anticipated to remain strong.

For the fourth quarter, we see revenue growth of around 10 percent, with the levels of comparison from the strong prior-year quarters becoming increasingly tough. We expect the profit margin to be within the full-year guidance range, strongly supported by order-backlog conversion.

Mobility delivered a quarter to remember.

At €8.3 billion, Mobility marked an all-time quarterly high in orders. This amount included, among other things, the previously mentioned major win for “S Bahn” suburban trains in Munich, Germany, and the Green Line in Egypt.

As a result, the book-to-bill ratio was at an exceptional level of 3.25.

The Mobility team is also concentrating very hard on achieving the next milestones for the Red Line and Blue Line in Egypt. In the fall, we will update you on our progress.

After two quarters with exceptionally strong order intake, we expect fourth-quarter orders to be near the prior-year level.

Mobility’s order backlog stood at €44.5 billion on June 30. This amount included €12.5 billion of service volume.

Revenue was up 12 percent in Q3.

Mobility’s profit margin was supported by higher revenue and, at 8.1 percent, was in line with our expectations.

The prior-year profit had included several one-off effects – such as the Yunex divestment gain, Russia wind-down effects and an asset impairment. In sum, the positive impact from these special effects on the profit margin amounted to 24.7 percentage points.

Mobility achieved a massive catch-up in free cash flow in Q3 with more than €700 million after a softer first half of the fiscal year.

As a result, the cash conversion rate in Q3 was at the impressive level of 3.40.

In the fourth quarter, we expect another strong performance for Mobility's free cash flow – which is also a clear sign of a competitive edge when considered from the long-term perspective.

We confirm our outlook for revenue growth in fiscal 2023 to be in the range of 10 percent to 12 percent. The profit margin guidance remains unchanged in the range of 8 percent to 10 percent.

Our assumption for revenue growth for Q4 is in the mid-single-digit range on further stringent backlog execution.

Mobility's fourth-quarter profit margin is expected in the guided corridor, between 8 percent and 9 percent.

At this point, I would like to keep the perspective crisp on results below Industrial Businesses.

Siemens Financial Services is very well positioned and continued its impressively resilient performance in a volatile credit-market environment.

The team delivered a strong quarter. It benefited from, among other things, the successful equity business.

I am also very pleased with the continuing improvement of our Portfolio Companies' operational performance, in particular at Large Drives. The announced carve-out of the combined Innomotics business is making good progress and will be materially completed by October 1.

As Roland already mentioned, the development for Siemens Energy Investment, with a loss of €647 million, was very disappointing.

The main individual effect was the at-equity participation in the after-tax loss of Siemens Energy; this loss was partially offset by a gain of €318 million from the transfer of a stake of 6.8 percent to Siemens Pension-Trust.

As a result of this transaction, our remaining stake in Siemens Energy is 25.1 percent, with a carrying amount of around €2 billion at the end of the third quarter. This amount corresponded to about €10 per share on June 30.

The ultimate financial yardstick for excellent performance is free cash flow:

Our strong profitability converted into excellent free cashflow, well above the prior-year level: With more than €3 billion from our Industrial Business, we have again provided clear evidence that we also fully keep our promises on this crucial point.

Operating working capital was up slightly on growing business volumes at DI and SI. Advance payments at Mobility partly compensated for this development.

Excluding the non-cash Siemens Energy effects, the cash conversion rate for Siemens on an all-in basis reached an outstanding level of 1.41.

And we are confident that, in fiscal 2023, we will even be able to exceed our strong free cash flow performance of the two previous years, which was above €8 billion in both fiscal 2021 and fiscal 2022.

The rating agency Moody’s recognized our outstanding cash performance and strong operating performance by raising our credit rating. With our Aa3 rating, we are well above our peer group... a pleasant privilege to have in times of rising interest rates!

Let me conclude with our group-level outlook, which we already raised twice in fiscal 2023:

Our teams have continued to do an excellent job to convert our backlog into revenue and drive profitability.

Since the business performance and outlook of Siemens Energy are not in our control, we have decided to exclude all effects from Siemens Energy from our Siemens group outlook for fiscal 2023. In the first nine months, our Siemens Energy Investment contributed €900 million to net income.

For the Siemens group, we continue to expect comparable revenue growth in the range of 9 percent to 11 percent and a book-to-bill ratio above 1.

We continue to expect the profitable growth of our industrial businesses to drive an increase in earnings per share before purchase price allocation accounting, or EPS pre PPA, to a range of €9.60 to €9.90 in fiscal 2023.

Thank you!

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