



# **Strong operational performance and growth Outlook confirmed**

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# Swift action to support Ukraine

## People centered approach

### Situation in Ukraine

- **~180 employees** at six sales and engineering hubs
- Safety and wellbeing key priority
- **Local support** and **accommodation** for affected employees in **neighboring countries**

### Humanitarian aid started in early March

- **€2m donation** for **immediate disaster relief** via Siemens Caring Hands organization
- **>€9m donations:** employees incl. matching by Siemens
- **~€3m value in-kind technical contributions** to maintain and rebuild **critical infrastructure**
- **In-kind donations** of urgently needed goods by **Siemens employees**

### Selected examples for support initiatives



**Two software platforms** for direct help from Siemens employees to affected colleagues through in-kind donations and accommodation for refugees



**Siemens Poland** converted part of its Warsaw location into a **refugee shelter**



**Siemens Germany** to launch programs on integrating Ukrainian refugees into the labor market

# Wind down of Siemens' industrial business in Russia

## Mostly non-cash effective

### Siemens in Russia & Belarus (FY 2021)

- ~3,000 employees
- ~1% of global Siemens revenue
- Mobility with largest footprint, long-term project and service business
- <1% of purchasing volume, mostly local services
- SFS with ~3% of portfolio in Russia (March 31, 2022)

### Decisive actions taken since February 24

- All new business in and international deliveries to Russia and Belarus put on hold
- Strict adherence to sanctions

### Announcement on May 12

- Wind down of industrial business & legal entities
- For SFS in Russia evaluation of options in alignment with regulatory requirements

### Financial impact in Q2

- In total ~€600m on net income due to impairments, write-offs and charges
- Mainly Mobility affected
- Marginal cash effects

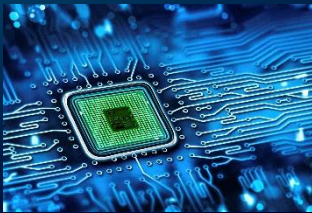
### Potential further wind-down risks

- Low to mid-triple-digit million impact on net income for further wind-down effects
- Timing uncertain, mainly non-cash

## Q2 Highlights in a volatile environment

Successful strategy execution, guidance confirmed, stringent cash performance

- **Strategic initiatives well on track:** Grow digital, drive sustainability, simplify portfolio
- **Guidance confirmed:** Impact from Russia compensated by portfolio gains, Parcel closing now expected in FY 22; strong operations
- **Excellent order momentum and revenue conversion:** +22% OI, record order backlog of €94bn
- **Gaining market share in DI Automation:** Revenue up +16%
- **SaaS-Transformation accelerated:** ARR +13%, Cloud ARR up 3ppts
- **Consistent cash generation:** Free cash flow all in of €1.3bn
- **Strong balance sheet:** Protection against short term interest hikes, share buyback accelerated



**Supply chain frictions**



**Pandemic impact**



**Cost inflation**

## Strong operational performance

### Excellent free cash flow

#### Orders

€21.0bn  
+22%

#### Revenue

€17.0bn  
+7%

#### IB Profit margin

11.0%  
14.6%  
excl. Russia  
impact

#### EPS pre PPA

€1.50  
€2.21  
excl. Russia  
impact

#### Free Cash Flow (all in)

€1.3bn

#### Indust. Net debt/EBITDA

1.6x

Note: Orders and Revenue growth comparable



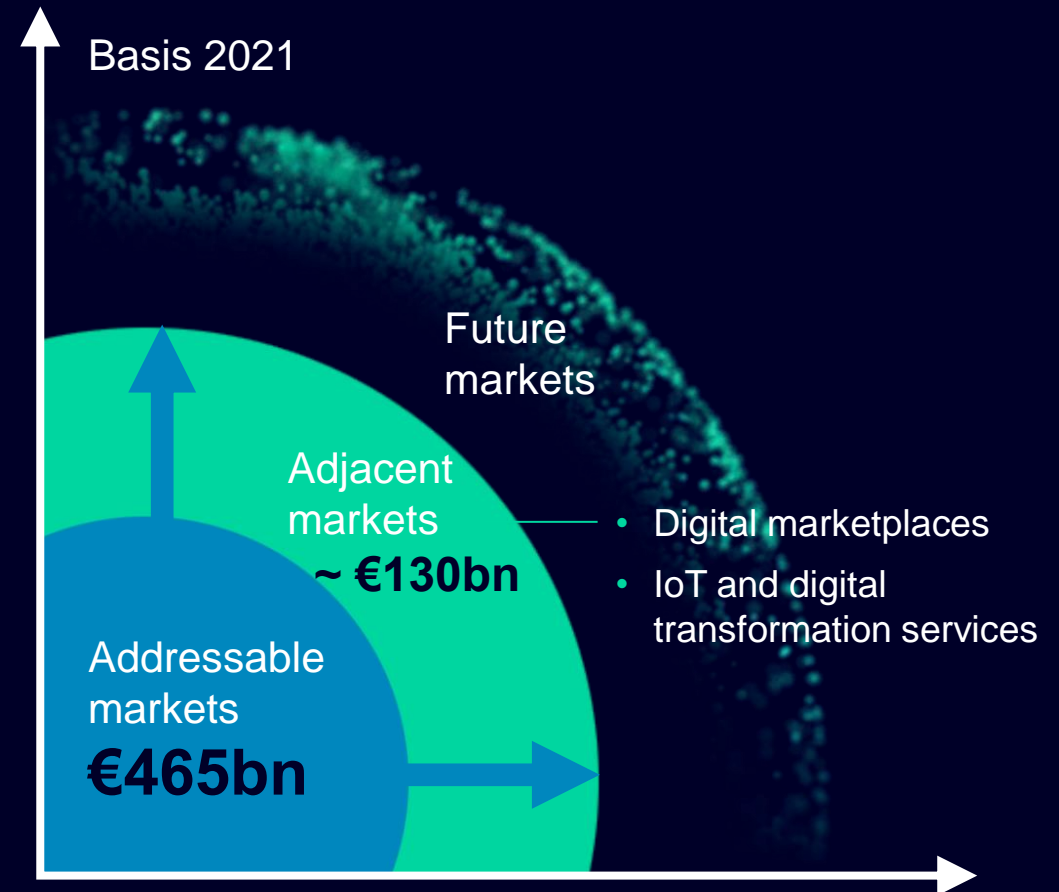
## Our addressable markets are driven by secular trends

### Attractive adjacent markets in digital area

### Strong mid- and long-term growth drivers...

- High energy and raw material prices drive investment in **decarbonization, energy and resource efficiency**
- **Labor shortage** and higher focus on **resilience of supply chains** benefit **digitalization and automation**
- Secular growth trends for **sustainable transport** and **personalized healthcare**
- **Stimulus and infrastructure** programs
- **Inflationary environment**

... despite current headwinds and risks

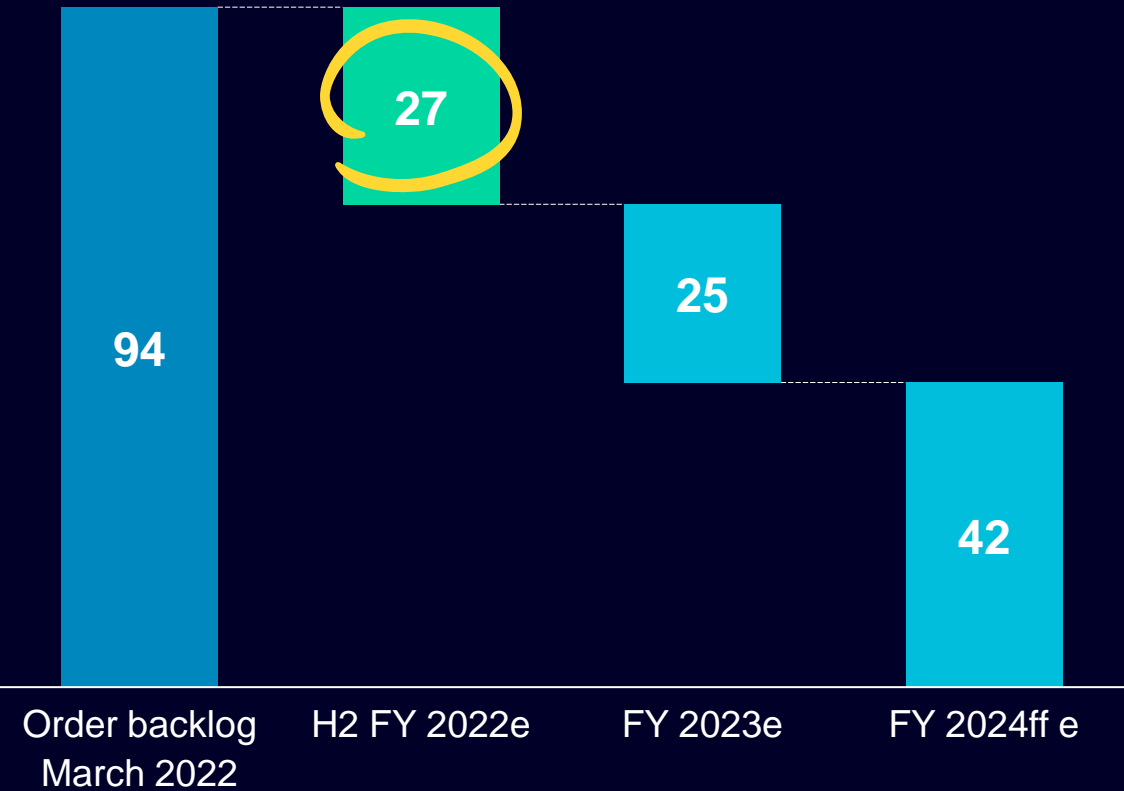


**Note:** Schematic graphic; markets include Smart Infrastructure, Digital Industries, Mobility, Siemens Advanta and Siemens Healthineers (Radiation Oncology included in addressable markets)

# Healthy order backlog a source of strength and resilience

## Expected revenue generation from backlog

€bn



## Attractive growth opportunity

- Majority of H2 revenue already secured in backlog
- Record reach of orders on hand for short-cycle product businesses in DI and SI
- High quality due to advance payments also related to product orders
- Resilience from long-term service business in Mobility and Healthineers
- Mobility backlog with attractive gross margins

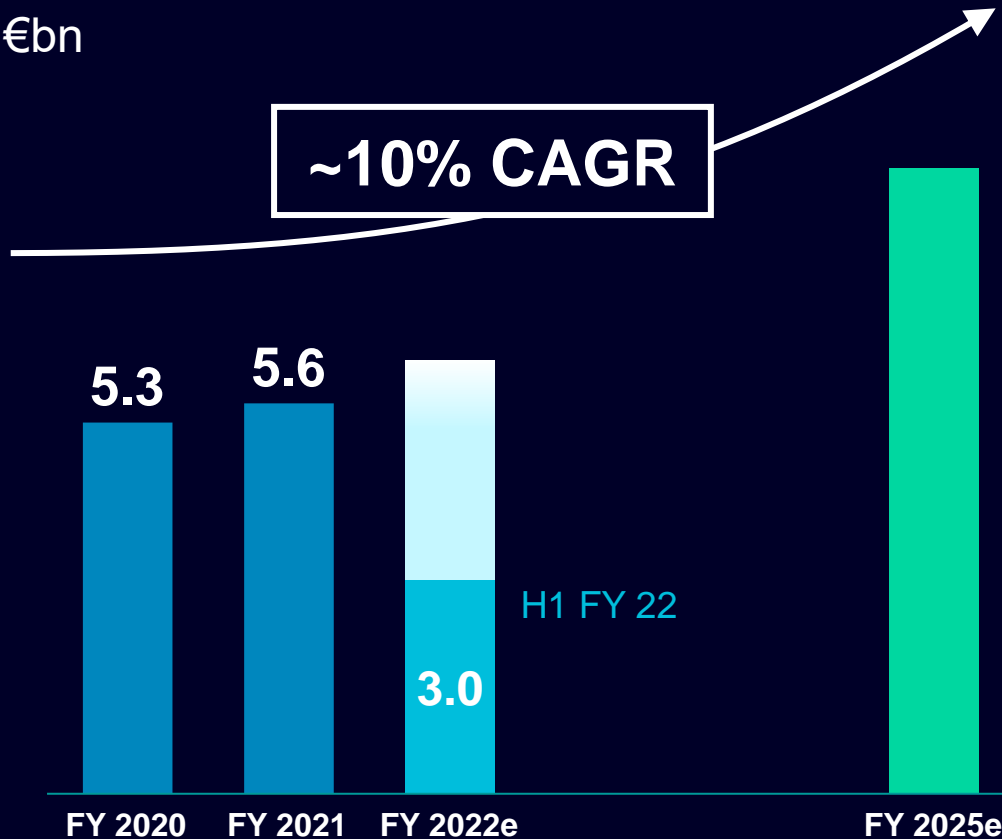


# Combining the real and digital worlds

## Siemens Digital Business growth ambitions reinforced

### Revenue Digital Business<sup>1</sup>

€bn



### Digital Industries

- SaaS transition accelerating
- Mendix with rapid growth >30% in H1 22
- Supplyframe integration and performance ahead of plan

### Smart Infrastructure

- Dedicated Grid Software unit with specific set-up
- Launch of comprehensive new SW-product suite

### Mobility

- Bundling of all Software businesses under one roof
- Connecting Train Planning Systems, Mobility as a Service (MaaS) and Inventory, Reservation and Ticketing (Sqills)

### Advanta

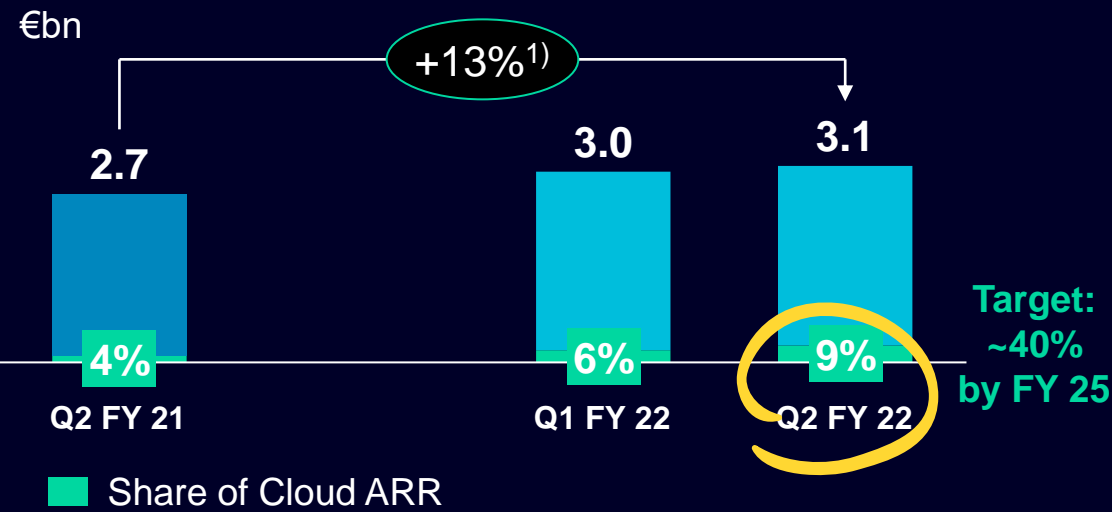
- Growth in digital transformation services

<sup>1</sup> "Digital Business" means Siemens vertical specific software and IoT services from Smart Infrastructure, Digital Industries, Mobility, Siemens Advanta; unconsolidated values

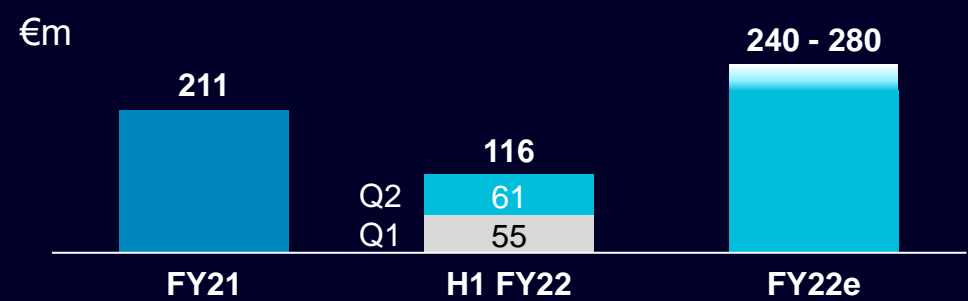
# Combining the real and digital worlds

## Successful strategy execution – SaaS transition clearly accelerating in Q2

### DI SW – Annual Recurring Revenue (ARR)



### DI SW – Cloud investment



1) ARR revenue: FX comparable

### Significant success in Q2

- All major products cloud enabled, further investments for cloud native SaaS applications
- Adoption rising with focused customer success & sales activities; ~44% of customer renewals chose SaaS with almost 70% of total contract value
- Cloud ARR increased to 9%, up 3ppt q-o-q, 3x cloud revenue at PLM in Q2 compared to Q1
- ~1,250 customers have signed on to SaaS-model, placing 1,850 orders in H1 FY 22
- Over 50% of SaaS customers are SME's in Q2



# Empowering customers

## Sustainability at the core of our businesses

### Digital Industries



**Nemos garden:** Digital twin to industrialize underwater farming biosphere as **resource efficient alternative agriculture system**



**Daimler Truck:** Optimize thermal management and aerodynamics for next generation **CO<sub>2</sub> neutral vehicles** with **CFD<sup>1</sup> software**

### Smart Infrastructure



**Kickstarter Program:** \$100m capital program together with SFS to support U. S. based **SMEs jumpstart decarbonization efforts**



**Silicon Valley Power:** Improved system capabilities & reduced cost of ownership with EnergyIP™ meter data management SW as a service

### Mobility



**Czech Railways:** 50 Vectron locomotives suited for **sustainable high-speed travel**



**ViaMobilidade:** Better availability, operations & sustainability through **modernizing & automating** two Sao Paulo commuter lines

<sup>1</sup> Computational Fluid Dynamics

**Focus on Sustainability**  
**Stringent execution of DEGREE**

**Sustainability progress**



**Selected highlights from Q2**



**Equity**

**Participation for employees and community**

- High participation rate in share matching plans, >180k employees as shareholder
- Siemens Foundation & Northern Trust: \$10m invest in underserved community development



**Decarbonization**

**Increased share of renewable energy**

- 10-year solar power purchase agreement
- Securing ~10% of Siemens Germany's electricity demand at stable and favorable cost



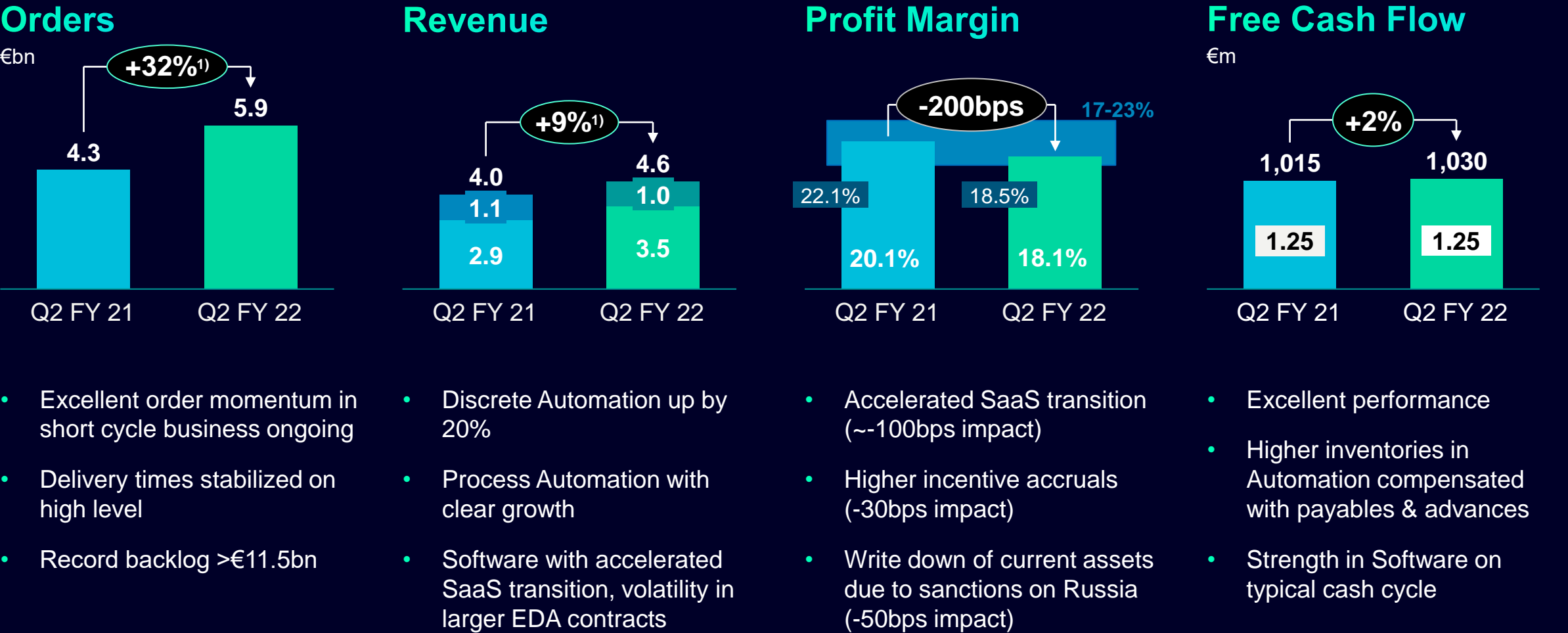
**Ethics**

**Cybersecurity acceleration**

- Digital Trust Forum merging with Charter of Trust – Deutsche Post DHL & Bosch joining
- Critical Infrastructure Defense Center in Canada inaugurated

Digital Industries (DI)

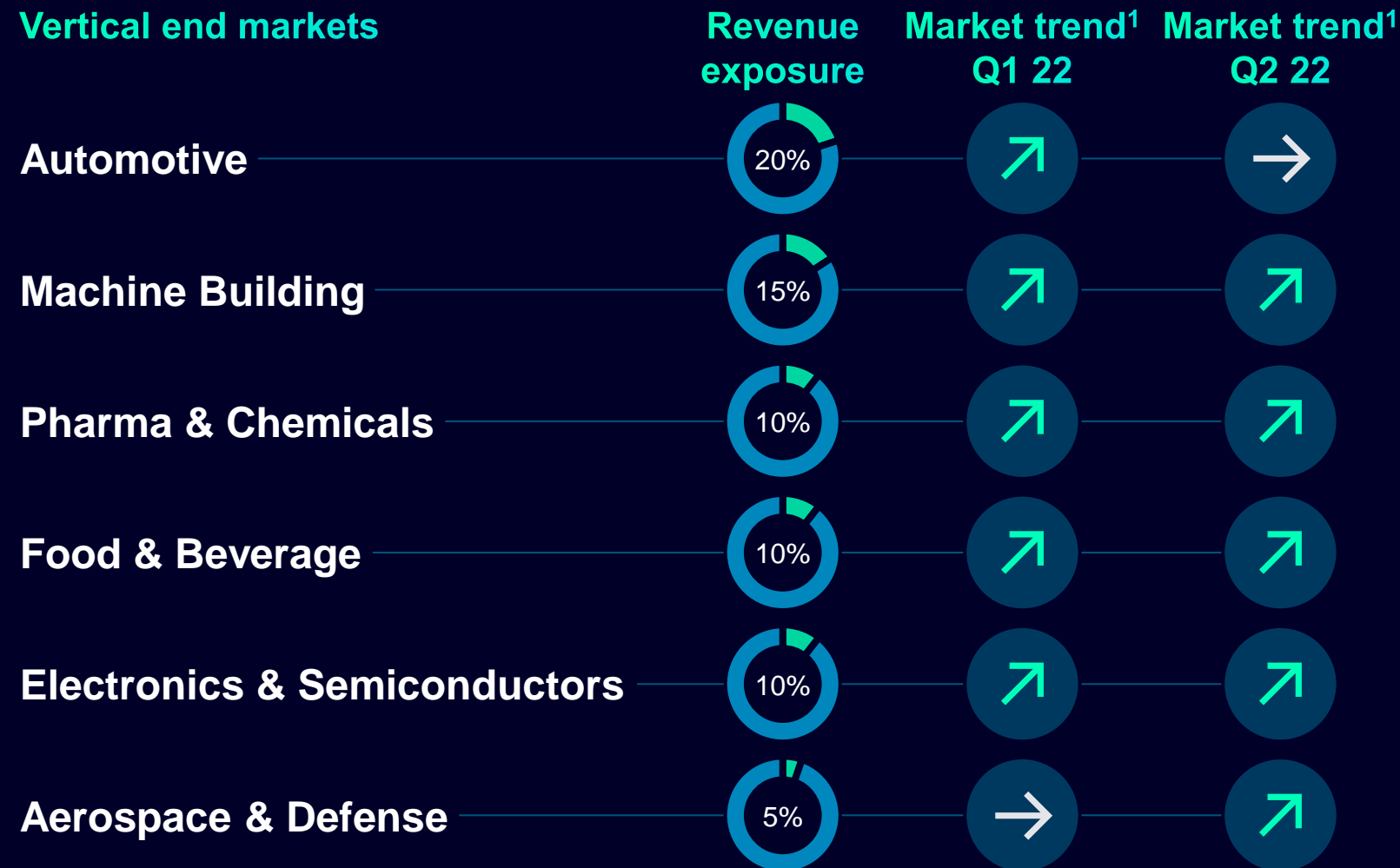
Excellent topline and free cash flow, accelerated SaaS-transition impacts margin



## Digital Industries (DI)

Healthy growth momentum continuing, Automotive normalization on high level

<sup>1</sup> Y-o-Y industry revenue development based on industry production data from statistical office sources (e.g. NBoS, US Fed, Eurostat)





# Digital Industries (DI)

Very strong order dynamics in automation across regions and businesses

## Q2 FY 22 – Key regions Automation (excl. Software)



China

+27%

+25%

Continued high demand and output



Germany

+37%

+8%

Strong order momentum  
Revenue up double digit in Discrete



Italy

+37%

+23%

Excellent topline performance,  
driven by Discrete



U.S.

+14%

-7%

Strong orders, tough comparables  
in revenue

## Q2 FY 22 – Software



Global

-11%

Progressing SaaS transition in PLM  
& lower contribution from large  
orders in EDA on tough comps

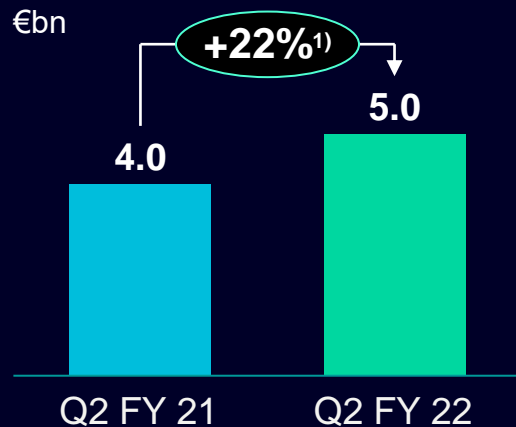
Note: Growth rates Comparable, excl. FX and portfolio

## Smart Infrastructure (SI)

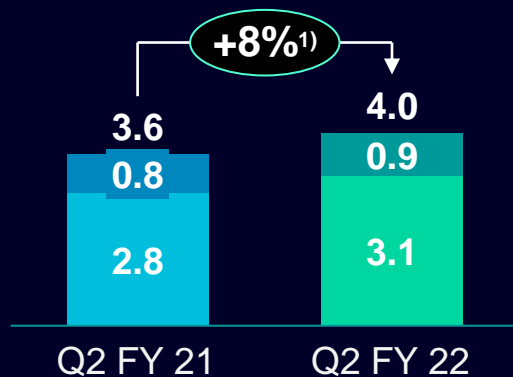
Strong growth trajectory, margin increase held back by Russia and pandemic

### Orders

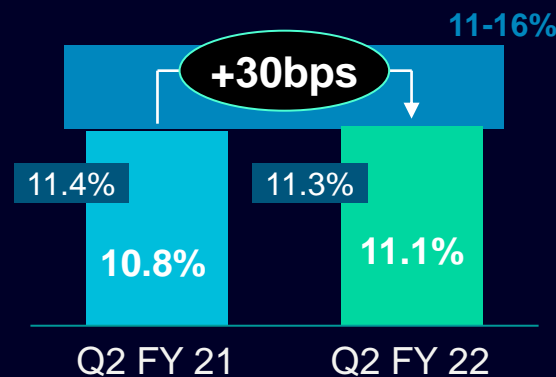
€bn



### Revenue

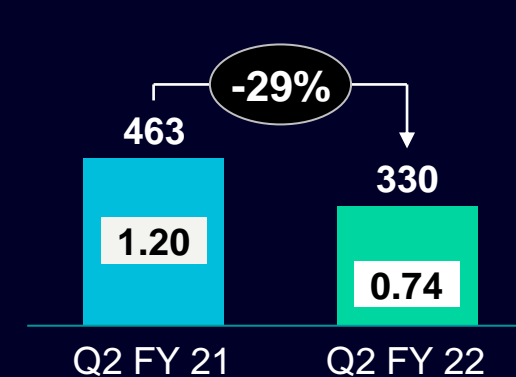


### Profit Margin



### Free Cash Flow

€m



- Electrical Products >30% up  
Electrification >20% up
- Large wins in datacenter and digital building services, strength in Semiconductor
- Buildings up ~15%
- Backlog ~€13bn

- Electrical Products with significant growth
- Buildings moderately up on strength in product business
- Electrification clearly up
- Service business up 7%

- Revenue growth and economies of scale
- Structural cost improvements
- Headwinds from pandemic
- Effects from sanctions on Russia (-40 bps)

- Solid performance
- Higher inventories to secure production and delivery capability

1 Comparable, excl. FX and portfolio

x.x x.x therein Service

x.x% Profit margin excl. severance

x.x Cash Conversion Rate

# Smart Infrastructure (SI)

Broad based order strength

Clear revenue growth driven by Products

## Q2 FY 22 – Key regions



China

+3%

-3%

Revenue impacted by recent lockdowns



Germany

+13%

+4%

Broad based order growth, Revenue up on Electrical Products



EMEA  
excl. Germany & Middle East

+23%

+9%

Orders up double-digit across all businesses



U.S.

+39%

+10%

Ongoing strength in Electrical Products and Datacenter vertical

## Q2 FY 22 – Service



Global

+7%

Clear growth in Europe and Americas

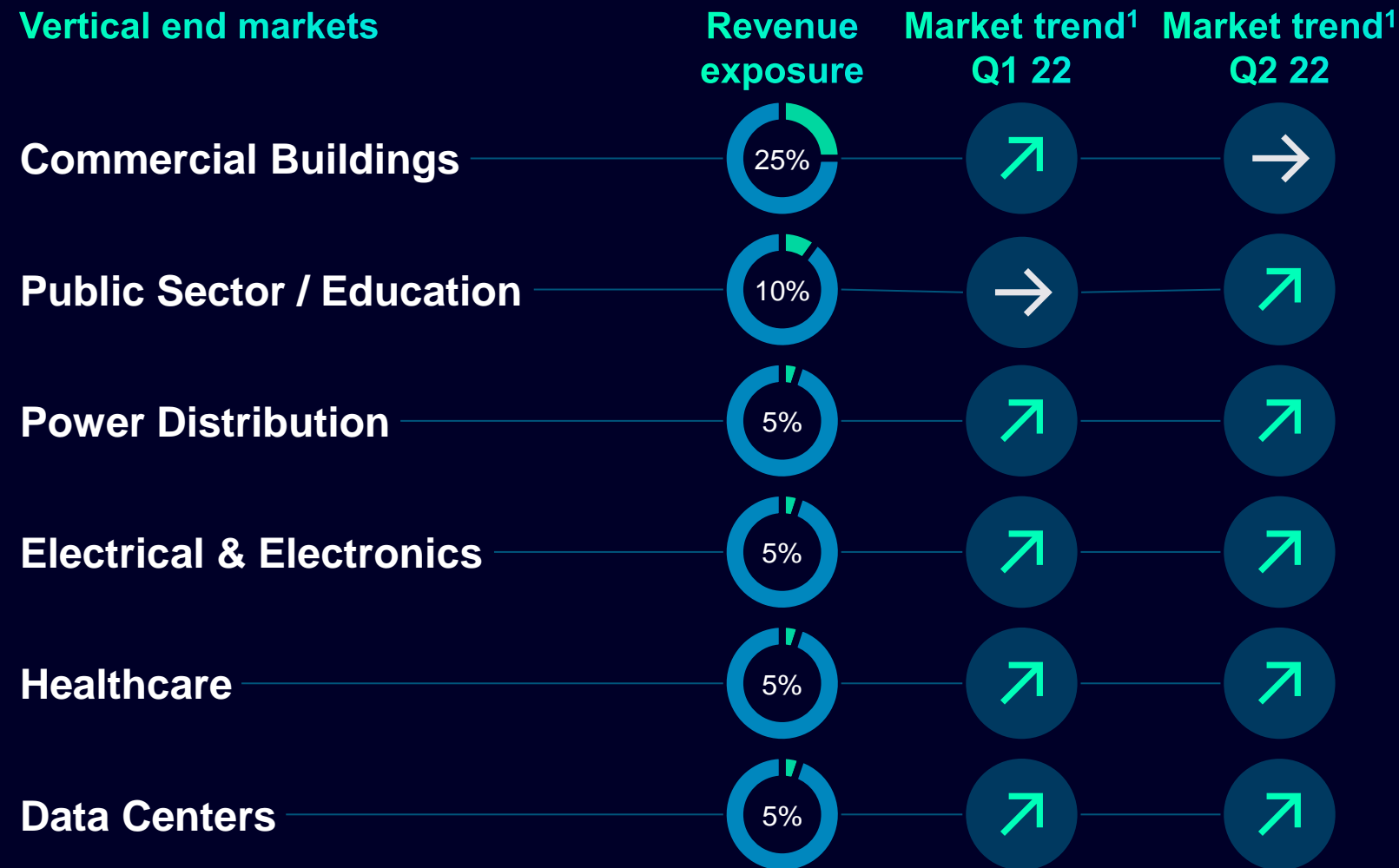
Note: Growth rates Comparable, excl. FX and portfolio

# Smart Infrastructure (SI)

Positive market trend  
in most verticals

Commercial buildings  
with some moderation

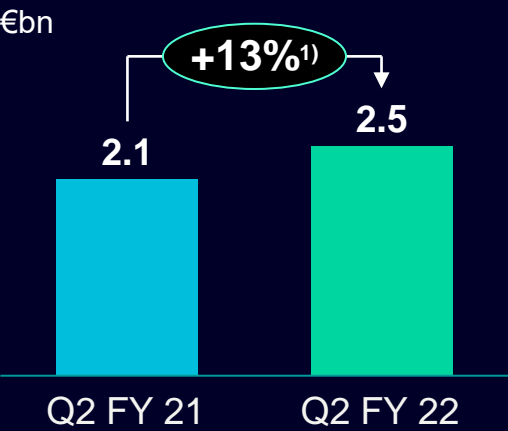
1 Y-o-Y vertical market development, majority of distributor revenue as part of Commercial Buildings



# Mobility (MO)

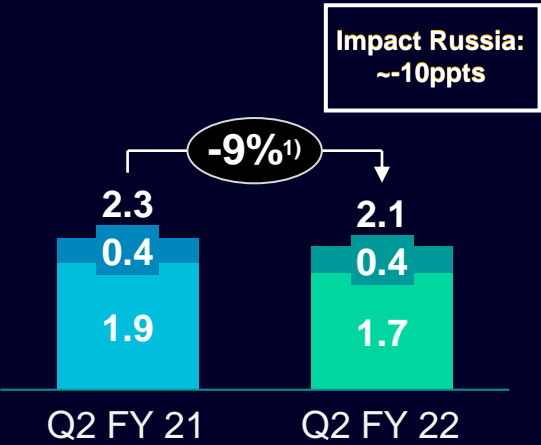
## Massive effects from sanctions on Russia, solid operational performance

### Orders



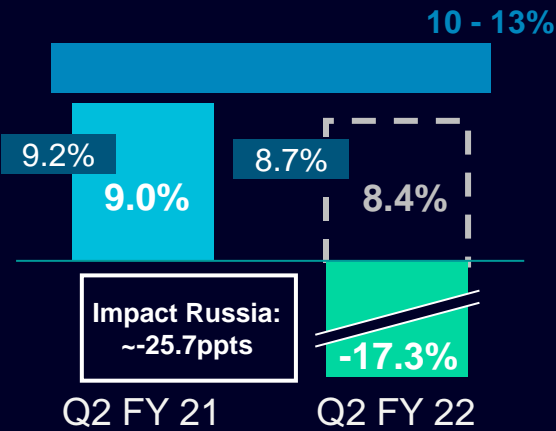
- Order growth mainly driven by larger orders in Rolling Stock; Rail Infrastructure up moderately
- Backlog at €36bn with healthy gross margin

### Revenue



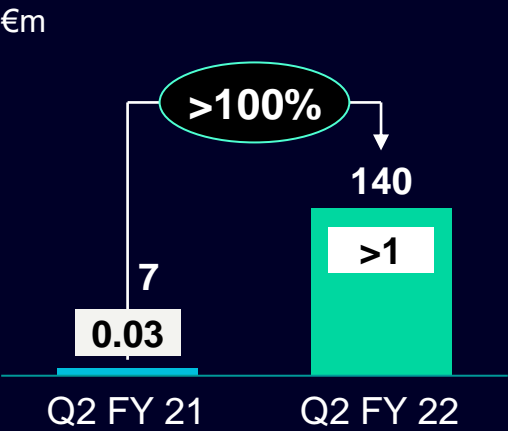
- Rolling Stock significantly lower; reduction of €0.2bn from prior periods & no further revenue recognized for work performed in Q2
- Flattish development in Rail Infrastructure
- Service up 3%

### Profit Margin



- Impairment of investments and assets, other charges related to sanctions on Russia of in total €567m
- Solid operational performance, still impacted by pandemic and supply chain challenges

### Free Cash Flow



- Minor impact from missing payments of Russian customers in Q2
- Solid operational cash performance expected to continue

1 Comparable, excl. FX and portfolio

x.x x.x therein Service

x.x% Profit margin excl. severance

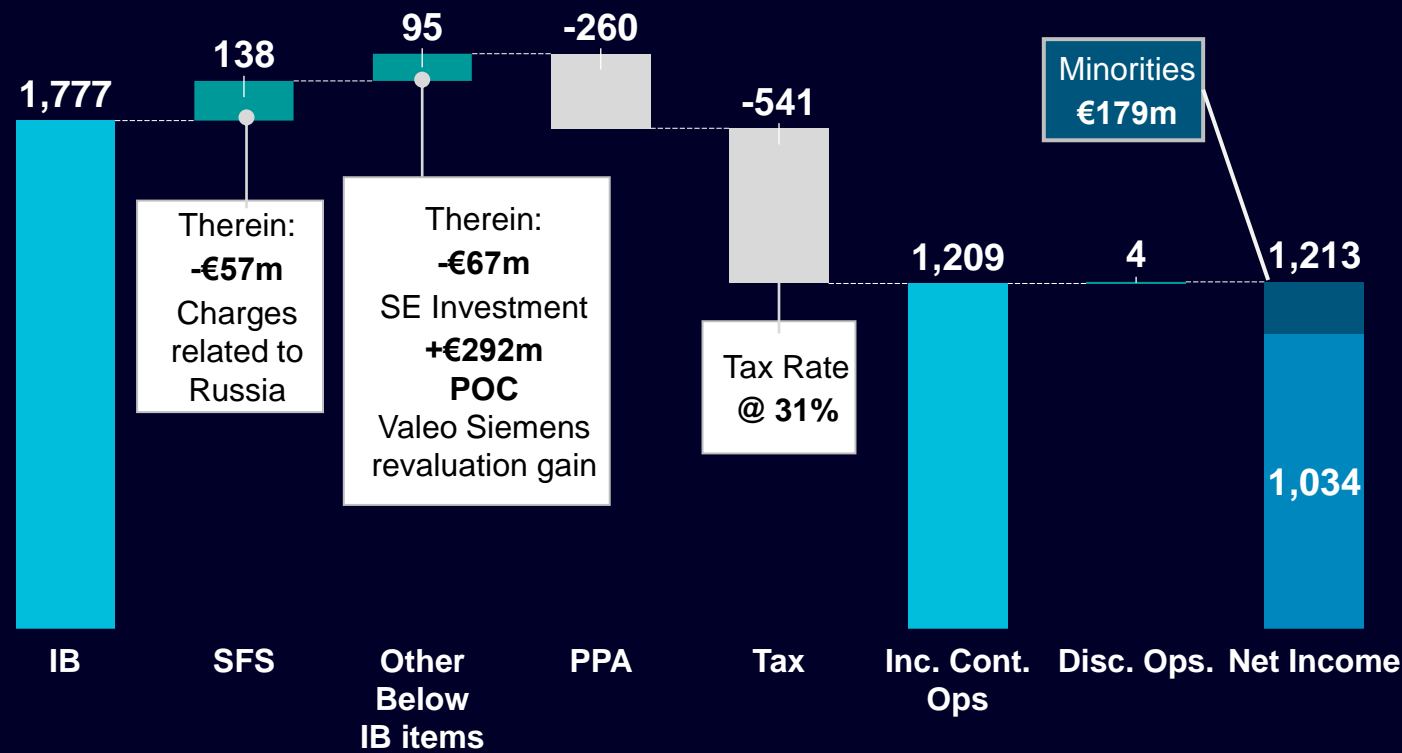
x.x Cash Conversion Rate

# Below Industrial Businesses

Solid SFS performance, Valeo Siemens gain; burdened by Siemens Energy Investment

## Q2 FY 22 – Performance Below IB

€m



- **SFS:** Solid performance impacted by charges related to sanctions imposed on Russia

### Other Below IB items

- **Portfolio Companies:** Value creation strategy in full swing, profit improvement in fully consolidated businesses
- **Siemens Energy Investment:** Continuing unsatisfactory performance
- **Tax rate:** temporarily higher due to certain non-tax-deductible items related to Russia

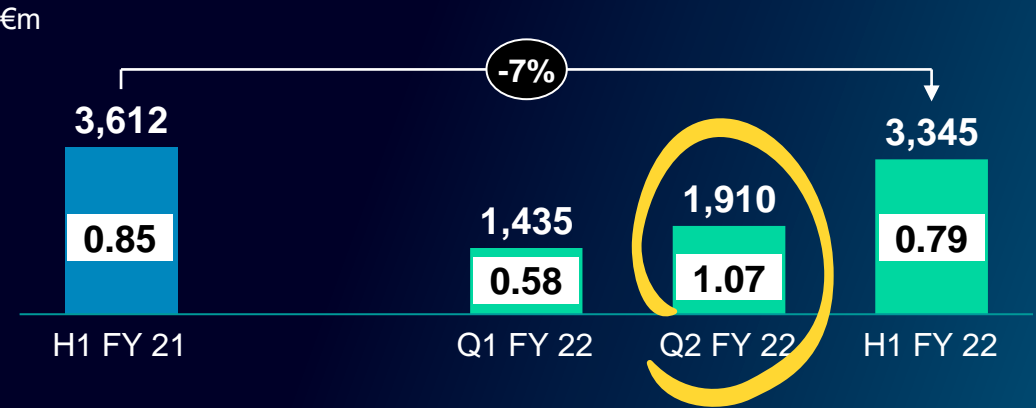
Note: Other Below IB items contains POC; SE Investment; SRE; Innovation; Governance; Pensions; Financing, Elimination, Other  
Detailed split see page 28



# Free cash flow

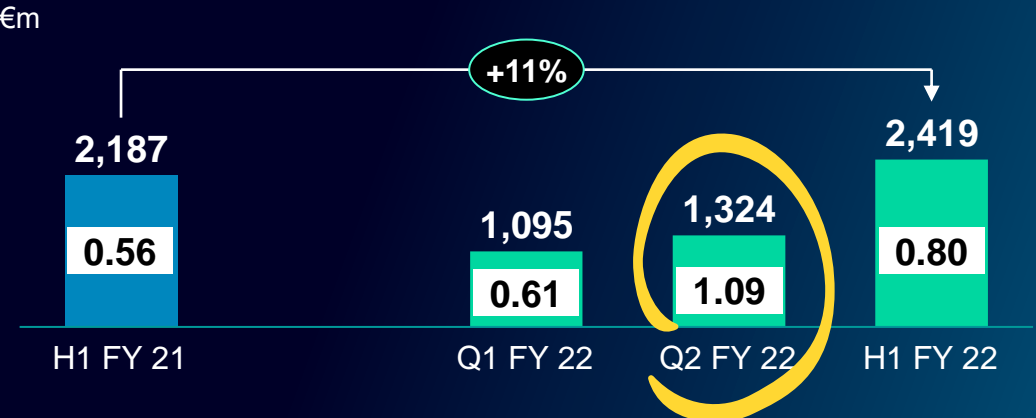
## Strong and consistent performance

### Industrial Businesses



- Stringent working capital management in H1 despite supply chain constraints and inventory build
- All businesses contributing to free cash flow; Digital Industries outstanding with excellent conversion of 1.25

### All in



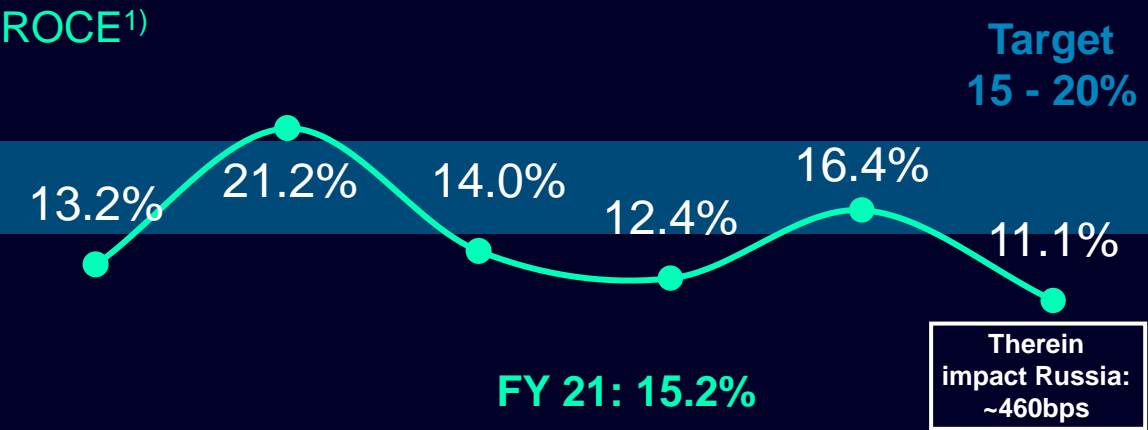
- Clear improvement over prior year quarter
- Continuing strong cash focus across all Siemens units

x.x Cash Conversion Rate

# ROCE and capital structure ratio

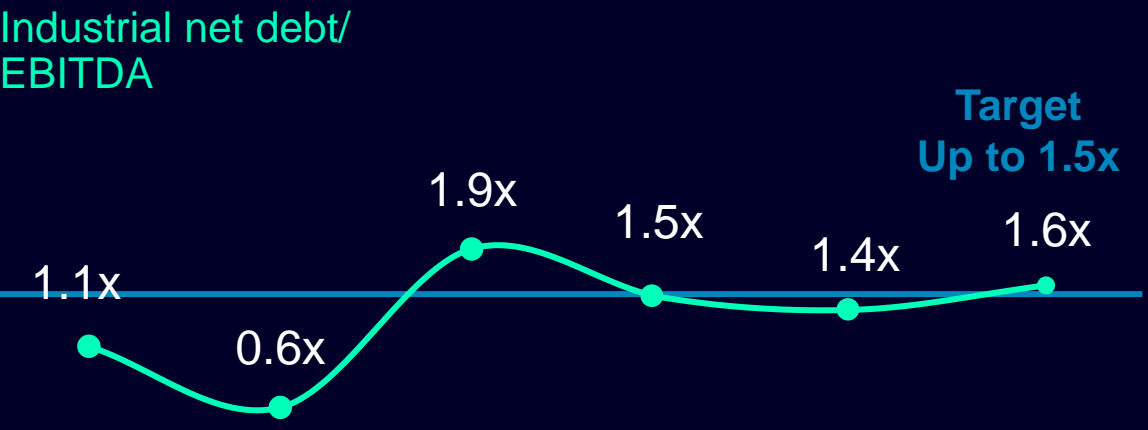
## P&L impact due to Russia effects clearly visible

### Capital efficiency



- **Material net income impact** from Russia effects of -€572m
- **Continued focus** on profitable growth and effective cost and working capital management

### Capital structure



- **Further deleveraging** throughout fiscal 2022 expected
- **Pension deficit** further reduced to €2.2bn
- **Excellent** position for **refinancing** due to **strong investment grade rating (A+ / A1)**

1 excluding defined acquisition-related effects for Varian

## Simplification drives material portfolio gains in FY 2022

### Closing of Parcel Logistics divestment now in H2 expected

#### Major portfolio effects

Business	Line item	Financial impact	Timing of Impact
<b>Yunex Traffic</b>	Mobility	€0.6bn - €0.8bn (minimal tax impact)	H2 FY 2022
<b>Parcel Logistics</b>	Portfolio Companies	€0.8bn - €1.0bn (post-tax gain)	H2 FY 2022
<b>Valeo Siemens (50% stake)</b>	Portfolio Companies	€0.3bn (minimal tax impact)	Q2 FY 2022 (Closing in Q4 FY 2022)
<b>Fluence impact</b>	Financing, Elimination, Other	€0.2bn (post tax gain)	Q1 FY 2022

## Below Industrial Businesses

### Updated outlook

	FY 2021	H1 FY 22	Expectation for FY 2022
<b>Profit Ind. Business</b>	<b>8,786</b>	<b>4,237</b>	
<b>SFS</b>	512	335	Incl. Q2 Russia impact, operative RoE in lower part of target range 15 – 20%
<b>POC</b>	-84	352	~€1.4 – 1.6bn, on successful strategy execution and value creation
<b>SE Investment</b>	-396	-131	Limited performance improvement, PPA-effects of ~-€0.1bn
<b>SRE</b>	94	-15	On FY 2021 level, dependent on disposal gains
<b>Innovation</b>	-207	-80	On FY 2021 level
<b>Governance</b>	-751	-193	Substantially lower than FY 2021; ~-€0.5bn
<b>Pensions</b>	-170	-46	On FY 2021 level
<b>PPA</b>	-738	-496	~-€0.95bn; full year Varian impact
<b>Financing, Elim., Other</b>	452	235	~-€0.3bn
<b>Tax</b>	-1,861	-1,177	Tax Rate: 25 – 29%, w/o impact from potential tax reforms
<b>Income C/O</b>	<b>5,636</b>	<b>3,021</b>	
<b>Discontinued Operations</b>	1,062	-11	Immaterial impact
<b>Net Income</b>	<b>6,697</b>	<b>3,010</b>	

# Outlook FY 2022 for Siemens Group confirmed

## FY 2022 Siemens Group

Book-to-bill	>1
Revenue growth (Comparable)	6 – 8% [prior: Mid-single digit]
EPS pre PPA	€8.70 – €9.10 [FY 2021: €8.32]

This outlook excludes burdens from legal and regulatory issues.

## FY 2022 Framework Siemens Businesses

	Comparable revenue growth	Profit margin
Digital Industries	9 – 12% [prior: 5 – 8%]	19 – 21% <sup>1)</sup>
Smart Infrastructure	6 – 9% [prior: 5 – 8%]	12 – 13%
Mobility	Flat [prior: 5 – 8%]	10.0 – 10.5%

<sup>1</sup> therein impact from SaaS transition of up to 200 bps

# Questions and Answers

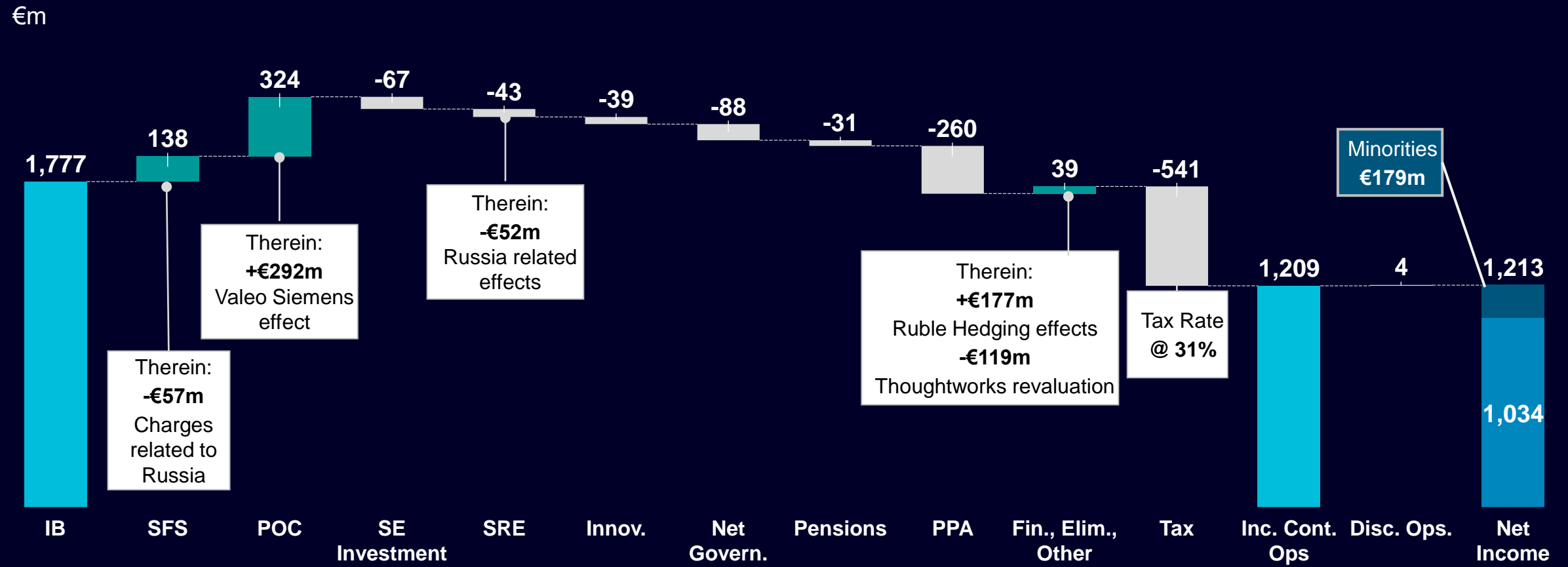


# Appendix

# Below Industrial Business

Solid SFS performance, Valeo Siemens gain; burdened by Siemens Energy Investment

## Q2 FY 22 – Performance Below IB



# Financial Services

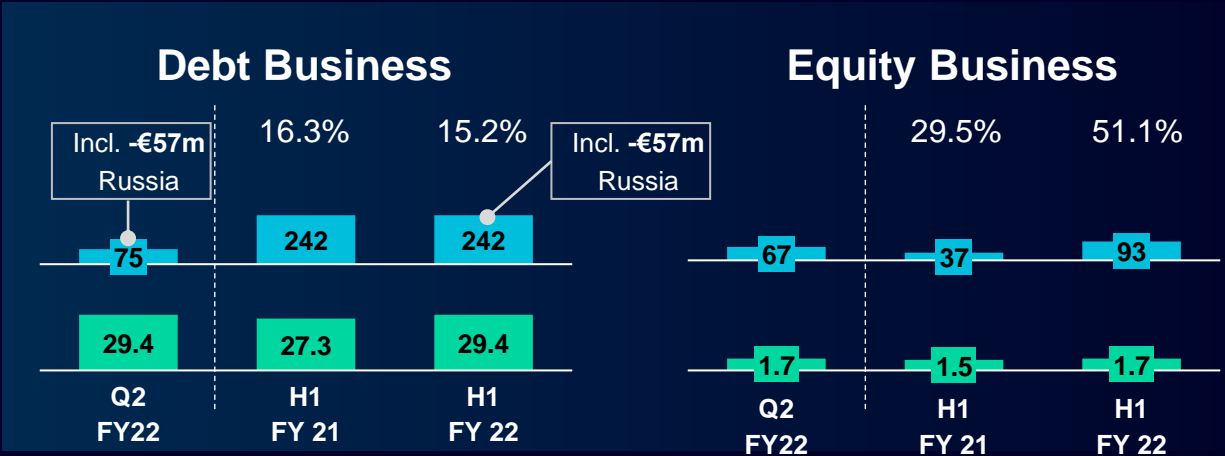
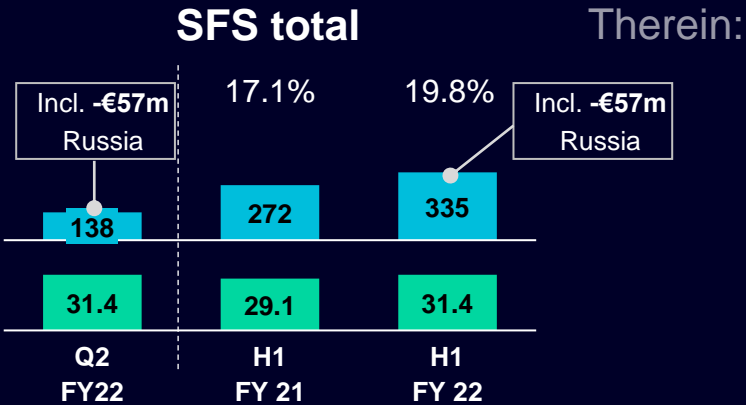
## Solid H1 FY 22 performance despite charges subsequent to sanctions imposed on Russia

### Key figures

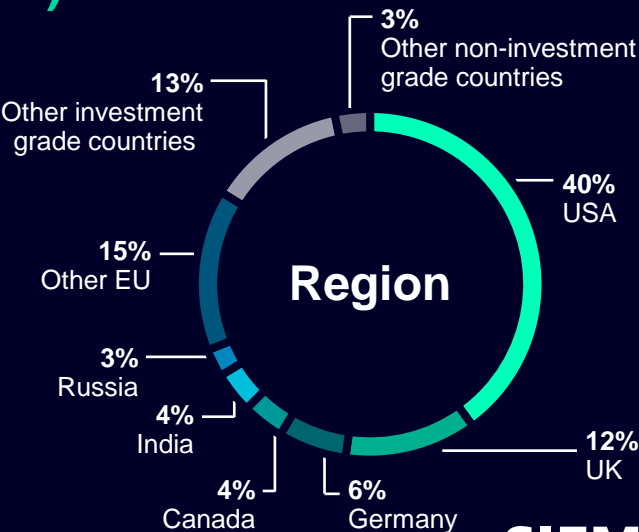
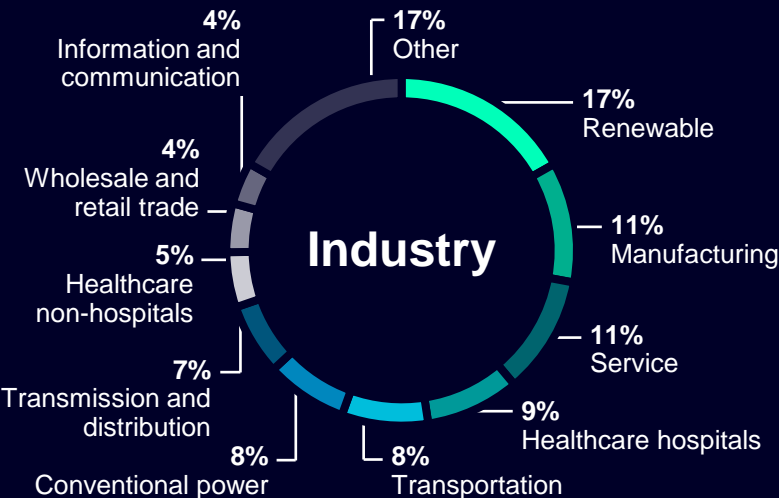
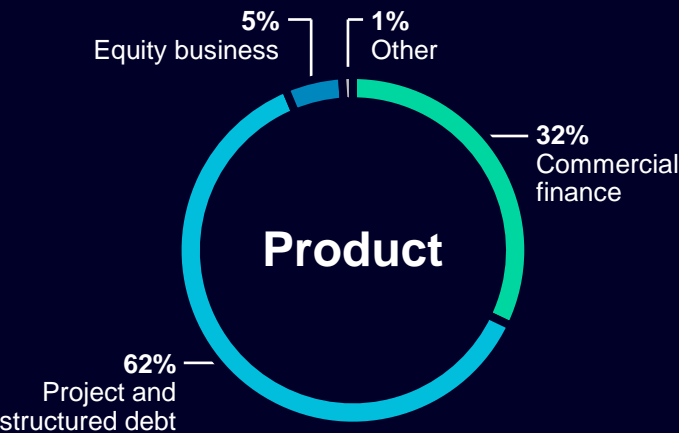
Return on Equity  
(after tax)

Earnings before  
taxes (€m)

Total assets (€bn)

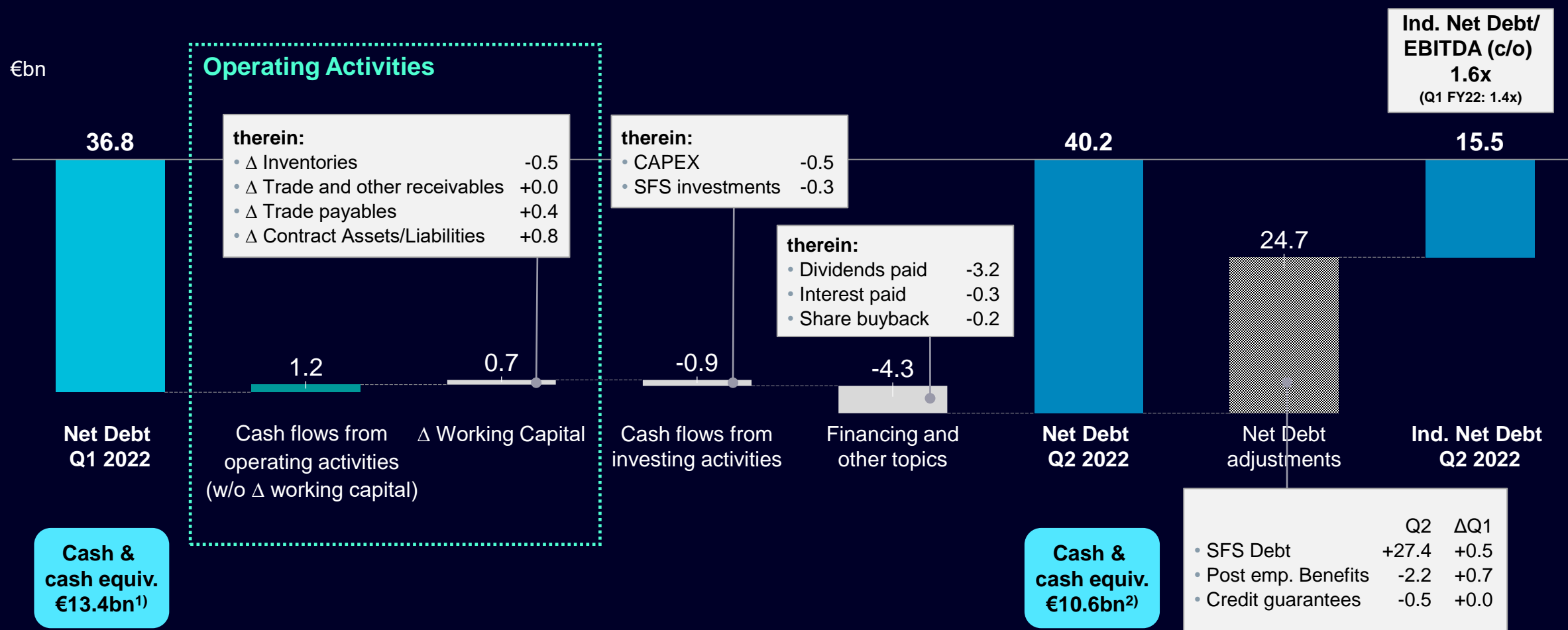


### Portfolio composition by product, industry and region (Q2 FY 2022)



# Net debt bridge

## Q2 FY 2022



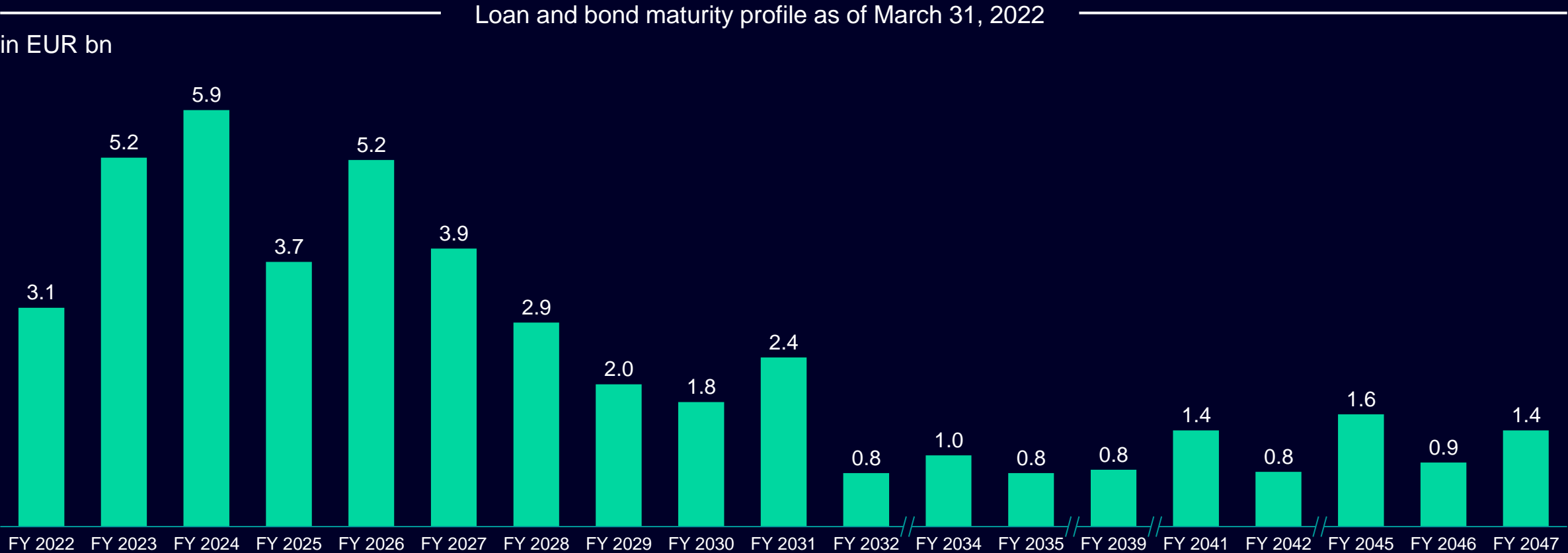
1 Sum Cash & cash equivalents of €13.4bn incl. current interest bearing debt securities of €1.2bn

2 Sum Cash & cash equivalents of €10.6bn incl. current interest bearing debt securities of €1.1bn

# Siemens with sound re-financing profile

## Long-term funding secured at attractive rates

### Total loan and bond debt of €45bn<sup>1)</sup>



1) Nominal Amount

**Provisions for pensions on historic low, however some negative effects from inflation to be reflected at FY end with actuarial assessments**

in €bn <sup>1</sup>	FY 2019	FY 2020	Q1 FY 2021	Q2 FY 2021	Q3 FY 2021	Q4 FY 2021	Q1 FY 2022	Q2 FY 2022
Defined benefit obligation (DBO) <sup>1</sup>	-40.3	-35.8	-37.1	-35.6	-35.9	-35.5	-35.7	-32.7
Fair value of plan assets <sup>1</sup>	31.3	30.0	32.5	32.7	33.6	33.5	34.0	31.2
Provisions for pensions and similar obligations	-9.9	-6.4	-5.0	-3.3	-2.9	-2.8	-2.9	-2.2
Discount rate	1.3%	1.1%	0.7%	1.2%	1.1%	1.3%	1.2%	2.0%
Interest income	0.6	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Actual return on plan assets	3.2	0.1	1.7	-0.3	1.1	0.0	0.3	-1.8

Note: All figures are reported on a continuing basis (w/o Liabilities held for sale)

<sup>1</sup> Difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q2 2022: +€0.7bn); DBO including other post-employment benefit plans (OPEB) of -€0.3bn



## Profit Bridge from SHS disclosure to SAG disclosure

Different profit definitions at SHS and SAG to be considered in models

€m	Q2 FY 22		H1 FY 22	
<b>SHS EBIT (adjusted)</b>	<b>980</b>	<b>17.9%</b>	<b>1,879</b>	<b>17.8%</b>
PPA (SHS logic) <sup>1</sup>	-186		-361	
Transaction, Integration, Retention, carve-out cost	-11		-26	
Gains and losses from divestments	0		+1	
Severance	-22		-40	
<b>SHS EBIT (as reported)</b>	<b>761</b>	<b>13.9%</b>	<b>1,452</b>	<b>13.8%</b>
PPA (SAG logic) <sup>2</sup>	+118		+224	
Consolidation / Accounting Differences	-3		+9	
<b>SAG Profit (as reported)</b>	<b>875</b>	<b>16.0%</b>	<b>1,685</b>	<b>16.0%</b>
Severance	+22		+40	
<b>SAG Profit (excl. severance)</b>	<b>897</b>	<b>16.4%</b>	<b>1,725</b>	<b>16.4%</b>

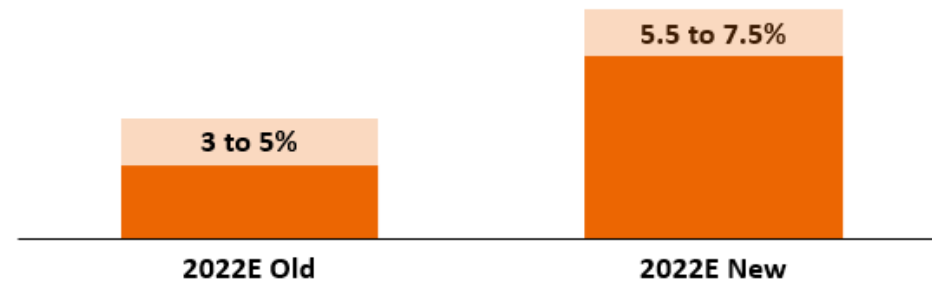
<sup>1</sup> PPA on intangible assets as well as other effects from IFRS 3 PPA adjustments

<sup>2</sup> PPA on intangible assets

## Outlook FY2022 raised

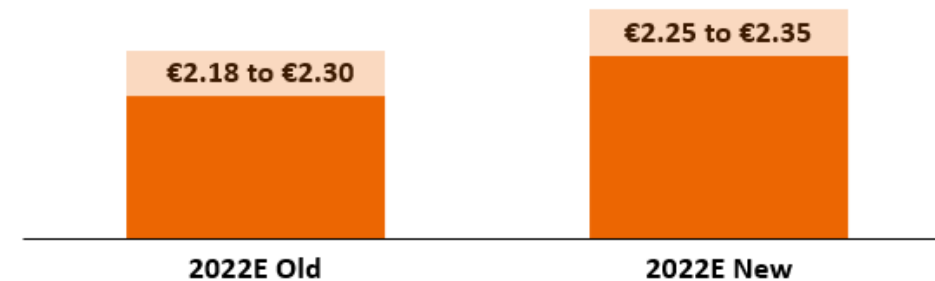


### Comparable revenue growth



- **Imaging** growth at 6 to 8% (before: 5 to 8%)
- **Diagnostics** growth at mid-single digits (before low-single digit negative growth), rapid antigen revenue assumed at ~€1,300m in FY22 (before: ~€700m)
- **Varian revenue**<sup>1</sup> at €2.9 to €3.1bn in FY22, growth at low teens, contributing to comparable growth in H2 only
- **Advanced Therapies** growth at 5 to 8%

### Adj. basic earnings per share



- **Imaging** margin at 21 to 22% (before: 22 to 23%)
- **Diagnostics** margin at low to mid-teens (before: low teens)
- **Varian** margin at 15 to 17%
- **Advanced Therapies** margin at 14 to 17%
- **Financial income, net** at €-50m to €-70m
- **Tax rate** at 27% to 29%

**Note:** The outlook is based on current foreign exchange rate assumptions, on the current portfolio and on further assumptions, see Quarterly Statement Q2 FY2022

<sup>1</sup> Adj. for effects in line with revaluation of contract liabilities from IFRS 3 PPA, see glossary

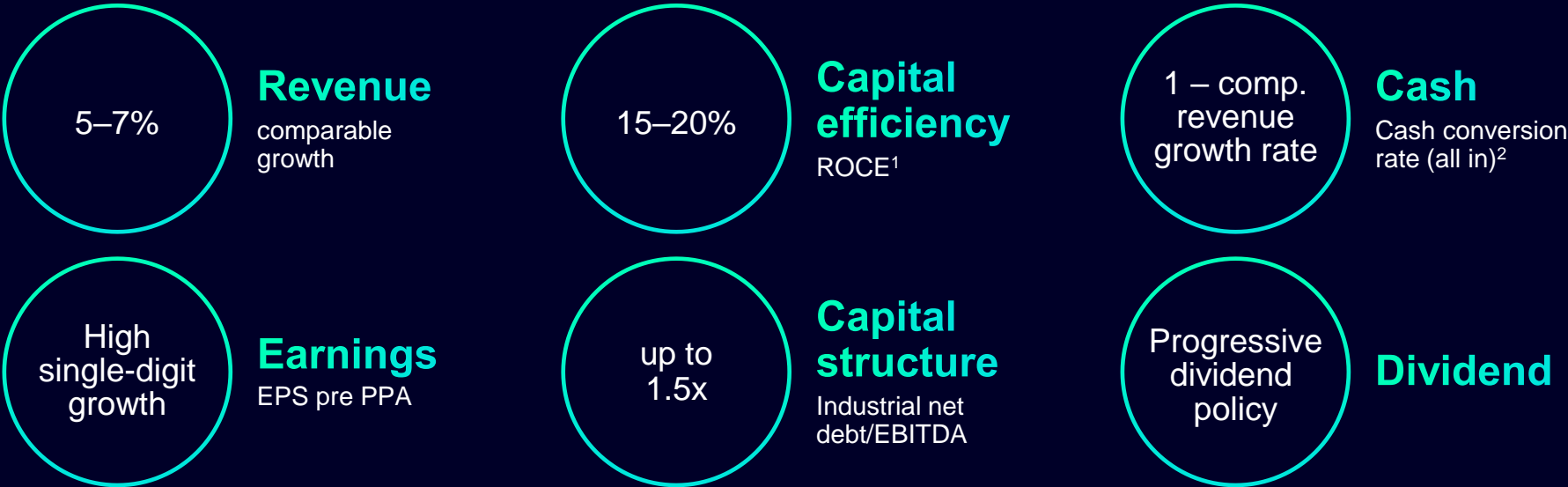
Q2 FY2022

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# Siemens Financial Framework

Targets over 3 – 5 year cycle

Siemens



## Businesses

	Digital Industries	Smart Infrastructure	Mobility	Siemens Healthineers	Financial Services
Profit margin range³	17–23%	11–16%	10–13%	17–21%	RoE⁴ 15–20%
Cash conversion rate	1 – comp. revenue growth rate				
Resilience KPI	ARR	Service	Service		

¹ Excluding Varian-related M&A effects ² Cash conversion rate: FCF/Net income ³ “Profit” represents EBITA adjusted for amortization of intangible assets not acquired in business combinations; margin range for Siemens Healthineers reflects Siemens’ expectation ⁴ Return on equity after tax