

SPEECH FOR PRESS CALL

Q2 2023

**“OUTSTANDING PERFORMANCE CONTINUES
– OUTLOOK RAISED AGAIN”**

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Check against delivery.

[Roland Busch]

Ladies and gentlemen,

Good morning, everyone. Thank you for your interest. Today we'll be reporting on another very successful quarter. I'll start with some highlights.

Although the economic environment remains volatile, we're continuing our outstanding performance and rigorously executing our strategy. I'm very pleased at these developments!

Over the last few weeks, I've spoken to many customers and partners around the globe, including many at Hannover Messe. And they've confirmed time and again that they all place great trust in Siemens and in our technologies. They also appreciate our in-depth domain knowhow. For this reason, we're confident that we'll continue to benefit from robust investment demand.

Because all our offerings support our customers' transformation to become more competitive, resilient and sustainable.

At €23.6 billion, orders were up 15 percent, driven by the highest-ever quarterly order intake at Mobility and very robust demand at Smart Infrastructure, which was up 9 percent.

The book-to-bill ratio totaled an excellent 1.22, pushing the order backlog to a record level of €105 billion.

Thanks to these results, we have very good visibility for the rest of fiscal 2023 and beyond.

Supply chain constraints eased further. Components are more readily available again. For this reason, we optimized our production capacity and supplied customers more efficiently.

Thanks to our very strong operational performance, revenue increased 15 percent to a total of more than €19 billion. Digital Industries, Smart Infrastructure and Mobility all contributed equally to this growth. All were above 20 percent!

Our businesses have again confirmed their leading competitiveness. For example, Digital Industries' automation business once again outpaced its relevant competitors – with revenue up 26 percent.

Smart Infrastructure showed strength at its electrical products and electrification businesses, in particular. Revenue at both these businesses grew an outstanding 28 percent. This growth was impressively reflected in Profit Industrial Business, which amounted to €2.6 billion. Digital Industries and Smart Infrastructure achieved all-time highs in their operational profitability levels: 23.5 percent and 15.9 percent, respectively!

As promised in the first quarter, we've seen huge progress in free cash flow. Industrial Business generated free cash flow of €2.7 billion – a great achievement.

I'll gladly repeat myself: we consistently deliver good figures. We're implementing our strategy rigorously and with great success.

We see attractive opportunities in our markets and rising demand for our offerings. Our businesses are also making rigorous, targeted investments in Opex and Capex. I'll give you a few more examples in a moment.

The strategic transition to software-as-a-service, or SaaS for short, at Digital Industries is fully on track. Annual recurring revenue, or ARR for short, grew 14 percent in Q2. Cloud ARR jumped 30 percent vis-à-vis Q1 to around €840 million. It now represents 24 percent of total ARR.

Therefore, we had a very successful first half-year. We now want to further leverage our exceptional order backlog and execution strength. This means that – despite a volatile environment – we're very confident about the second half-year.

Therefore, we raise and narrow our guidance for fiscal 2023 for both revenue growth and earnings per share.

We're now guiding for revenue growth in a range of 9 percent to 11 percent, up by 200 basis points on the lower end.

And we clearly lift the range for EPS pre PPA: €9.60 to €9.90, up by €0.70 at the lower end. This excludes the effect from the impairment reversal of our stake in Siemens Energy.

Ralf Thomas will go into the details later on.

Regarding the figures, I'd like to highlight two further points.

Profit margin Industrial Business was 14.2 percent. Excluding a non-cash one-off effect at Siemens Healthineers, we achieved an impressive 15.9 percent.

EPS pre PPA totaled €2.56. This figure doesn't include the already mentioned increase to the carrying amount of our Siemens Energy stake. This non-cash effect amounts to an additional €2.1.

The order backlog reached a record level of €105 billion, primarily driven by strong demand for our systems, solutions and services.

As expected, our customers' order volumes in Digital Industries' product business and in parts of Smart Infrastructure have normalized again because delivery times were cut and components became more readily available again.

This trend will continue in the quarters to come. As a result, the order backlog in the short-cycle product and systems businesses will return to a sustainable level.

We expect that the backlog at both Smart Infrastructure and Digital Industries will still be high at the start of fiscal 2024. This development will continue to give us a high level of visibility going forward.

We're confident that we'll achieve our profitable growth targets – because we're strong at executing, we have our supply chain well under control, and we manage manufacturing processes flexibly.

The longer-term order backlog at Mobility's and Healthineers' project and service businesses promises healthy gross margins.

In recent weeks – as part of our strategy discussions – we've also taken a closer look at our medium and long-term prospects.

All our businesses are operating in attractive growth markets that are shaped by long-term trends – such as the shortage of skilled workers, increasing demand for greater efficiency in resource and energy consumption, glocalization and the fast-growing Internet of Things.

Regional stimulus programs will also add further opportunities.

Let's take a look now at our addressable market. We expect annual growth in this market to total around 7 percent until 2027 – on today's basis of just under €500 billion. Our software business and digital services have potential for double-digit growth.

Initial growth rates will be higher due to inflation. We expect this curve to flatten over time.

We'll strengthen and optimize our portfolio also in the future by investing organically in our business and by making targeted, tailor-made acquisitions and selected divestments.

Through close collaboration Siemens-wide, we're pioneering the development and adoption of the latest technologies.

Good examples are generative artificial intelligence, the industrial metaverse and additive manufacturing – in other words, industrial 3D printing.

Over the next five years, the additional growth potential for Digital Industries, Smart Infrastructure and Mobility in their addressable markets will be around €175 billion. We expect around 60 percent of this potential growth to be in the U.S., the EU, China and India.

These examples show that we're continuing to drive and strengthen our diversification.

Localization is a high priority within this diversification process. We're allocating our resources in development, the supply chain, manufacturing and service activities specifically to regional growth markets.

Smart Infrastructure and Mobility are currently expanding their capacities in the U.S. and Europe. For example, we recently announced the construction of a new rolling stock factory in North Carolina. Digital Industries is leveraging its flexible twin factories concept to optimize and expand production in China and Germany.

If market opportunities arise, we'll consider taking further steps to expand.

I was in India just recently. It's our fastest-growing major region. Market growth in the country is currently 11 percent a year. In this important market, we're upgrading and digitalizing our manufacturing capacities.

India is also a key hub for software development, engineering and services for our global business. We're continuously expanding in these areas. To give you an idea: Siemens employs more than 30,000 people in India – about the same number as in China.

If you were in Hanover this year, you'll have seen for yourselves how strong our innovative strength is, how closely our people work with customers and how committed our Team Siemens is.

One highlight was the expansion of Siemens Xcelerator – our open, digital business platform. We introduced Industrial Operations X, a portfolio of new interoperable applications and solutions for more flexible production. We also introduced new cloud-based offerings for Building X, our portfolio of digital solutions for smart and sustainable buildings.

One highlight of Industrial Operations X was the launch of our first virtual SIMATIC controller. This launch is a milestone for software-based automation, which enables customers to use IT technologies in order to manage specific applications in their manufacturing operations.

The second pillar of Siemens Xcelerator is our growing ecosystem. At Hannover Messe, we announced important new partnerships in this area.

- We're expanding our partnership with Microsoft. We're using generative artificial intelligence to drive productivity.
- We're working with IBM to integrate software solutions for development optimization.
- And we're cooperating with Festo – a leader in pneumatic manufacturing solutions – among many others.

At our Annual Shareholders' Meeting, I talked about the tremendous opportunities in the extremely fast-growing battery market. Siemens can help manufacturers produce faster and more sustainably, and scale up.

In Hanover, we announced a holistic partnership with Freyr. This partnership involves product development, simulation and production planning in order to build and operate Freyr's planned gigafactories in Norway and the U.S.

The partnership is one of the great examples of how our Digital Industries and Smart Infrastructure offerings come together.

Our customer base in battery manufacturing is constantly growing: with established players in Asia, such as CATL and LG Energy Solution and many EU- or U.S.-focused companies, such as Northvolt, Morrow and ACC.

I'm also very proud that Cellforce has chosen Siemens. Cellforce is a high-end battery manufacturer that is majority-owned by Porsche. This partnership was just announced on Monday.

Our digital business is on a strong growth trajectory and stands at €3.4 billion after the first six months. We're fully on track to exceed 10 percent growth for the full year – despite the ongoing SaaS transition at Digital Industries.

I've already mentioned that we're significantly expanding our Siemens Xcelerator portfolio. This move will support further growth.

However, acquisitions like Sqills, which has now been integrated into our Siemens Mobility portfolio, are also contributing to this growth. Sqills is expanding its customer base in North America. Brightline, a long-time rolling stock customer, will now use S3 Passenger – a leading inventory and reservation booking software. The Florida rail operator aims to use this software to scale up its services and improve seat booking.

We're continuing to see good progress in the strategic transition of Digital Industries' product lifecycle business to software-as-a service. Let me highlight just a few examples.

As I mentioned before, we're fully on track with the transition. Cloud ARR accounts for 24 percent of total ARR. Our cloud business has tripled year-over-year.

Even customers who previously had perpetual licenses and related maintenance contracts are now converting to the SaaS model.

More than 7,500 customers have signed on to the software-as-a-service business model. The number of small and medium-sized businesses, including startups, is rising further. Almost 75 percent of these companies are new customers – clear evidence of our ability to expand our existing customer base.

If we only look at the volume of contracts in the transformation, the number was temporarily lower in Q2. This decline was due to two major customers retaining their previous contract types because of their specific requirements.

Greater sustainability is very important to our customers.

How can we increase sustainability and help our customers in this regard? By bringing together Siemens' core technologies, our domain knowhow and the synergies within our company.

We have 11 core technologies, including simulation and digital twins, data analytics and artificial intelligence, automation and additive manufacturing. All our businesses are co-developing these technologies and deploying them at our customers.

Here are a few excellent examples.

Daimler Truck intends to launch an integrated digital engineering platform worldwide and has decided to build it using Siemens Xcelerator's software and services portfolio. Teamcenter and our NX design software will be used for this purpose.

The project involves the development and lifecycle management of Daimler Truck's carbon-neutral truck and bus fleet.

Let's go back for a moment to the booming battery market.

The U.S.-based company KORE Power will ramp up its 12-gigawatt-hours battery cell production facility in Arizona. To achieve this goal, the company is counting on a comprehensive set of our solutions.

We're delivering electrical infrastructure and energy management systems, which will enable automated building operation. We're also delivering the digital twin, factory automation and simulation software.

This holistic approach will help digitalize the entire battery value chain from design and production to services.

In addition, Siemens Financial Services is providing financial expertise and has also invested in KORE Power itself.

This approach also applies to vertical farming, in other words, growing food indoors. In this field, we're combining smart infrastructure with automation technology and providing support with digitalization and artificial intelligence. As a result, we're creating an optimal environment for growth, meaning every day is a perfect day for the plants.

A good example is the vertical farm recently opened by Bustanica – the largest in the Middle East. This farm uses 95 percent less water and no pesticides or chemicals. It produces one million kilograms of fresh lettuce and spinach every year for Emirates airlines.

And, finally, let me highlight a rail order in Singapore. For more than €300 million, we're supplying, among other things, a digital signaling system that will enable driverless trains and increase passenger numbers.

Another very current example: Deutsche Bahn, the German rail operator, announced today that it's placed an order for a further 17 ICE 3neo trains. This order has a volume of around €600 million, which was already booked in Q2. In this way, we're helping get more people to take the train and reduce environment burdens.

In order to consume fewer resources and operate in a climate-neutral manner, partnerships in constantly growing ecosystems are a must.

A good example is the foundation of Cofinity-X – a joint venture comprising ten partners from the automotive industry. This partnership aims to create the largest collaborative and open data network in the automotive industry.

Here, too, we'll apply our knowhow. We're offering an open digital marketplace and applications for end-to-end data chains that make it possible to trace material flows or the carbon footprint.

And I'm very happy that Together for Sustainability – an initiative of 47 chemical companies, including BASF and DOW – will collaborate with Siemens to move the chemical industry toward carbon neutrality. It was announced yesterday that they'll use SiGreen – our digital and data-secure carbon footprint management solution. In this way, we're helping an entire industry become more sustainable!

Our business in software for managing and controlling power grids is collaborating with EnergyHub. Together, we're building the next generation of distributed energy resource management.

Mobility's air-free brake system won the prestigious German Innovation Award. This system helps make train operation more sustainable and efficient.

We're receiving awards for innovation and leading in this year's patent statistics – further evidence of our top position in innovation.

All these examples also testify to our company culture's ongoing transformation:

Siemens has substantially increased its clock speed. We're strong in implementation. And as a result, we're meeting the high expectations we've set for ourselves.

With that, I'll hand over to Ralf Thomas. He has more details for you on our operational performance and the outlook for fiscal 2023.

Thank you!

[Ralf P. Thomas]

Ladies and gentlemen,

Good morning, everyone. Let me share further details on how we capitalized on our excellent execution in the second quarter, which put us in a position to raise our outlook for fiscal 2023 again.

We will begin with the results for Digital Industries, or DI. Investment sentiment remains healthy in our key markets. We saw the expected normalization of order patterns in our automation businesses at high levels.

At €5.3 billion in total, Digital Industries' orders were down 10 percent, which resulted in a book-to-bill ratio of 0.95 for Digital Industries overall.

DI's software business posted a rise in the mid-twenties, benefiting from larger contract wins and from contract renewals that came in earlier than expected in some cases.

As a result, Digital Industries' strong order backlog decreased moderately to almost €14 billion overall. The automation businesses accounted for more than €9.5 billion of this amount, which is only €700 million lower than the peak levels at the end of Q1.

Customer cancellations continued to be marginal.

We expect more than €8 billion of Digital Industries' backlog to convert into revenue in the second half of fiscal 2023, which gives us extremely high confidence and relatively high visibility going forward.

In addition, we assume that our customers' order patterns will continue to normalize in the second half of fiscal 2023, with an emphasis on Q3.

As indicated before, this normalization will lead to a book-to-bill ratio below 1, resulting in a gradual reduction of order backlog in automation accompanied by a reduction of delivery times.

Nevertheless, we continue to anticipate a relatively high level of order backlog at the end of fiscal 2023, which will also give us a clear perspective at the beginning of fiscal 2024 for our continuing growth trajectory.

Let's turn now to Digital Industries' revenue, which was up a stunning 23 percent. In the automation businesses, revenue even rose a sensational 26 percent.

Component availability improved further, especially for our high-margin products. In addition, the team again did an excellent job of running the factories at high utilization and optimized production output.

However, we will stay alert and continue to keep a very close eye on all aspects of the supply chain.

DI's software business accelerated after a somewhat slower start in Q1 and achieved 11 percent growth.

At 23.5 percent, Digital Industries' profit margin was outstanding. As a result, we were at an all-time-high quarterly result operationally and were even above our target margin corridor.

Performance was boosted by the automation businesses, in particular, while the software business, as we had expected, had a somewhat softer quarter, in part due to the transition to software-as-a-service, or SaaS, which is also continuing to proceed as planned. We expect the software business' performance to improve in the second half of fiscal 2023.

DI's automation businesses also converted the rising revenue into growing profit margins – an outstanding achievement by the team, which truly has flawless execution capabilities!

In this connection, positive impact came from optimized capacity utilization as well as a very favorable business mix on improved availability of components for high-margin products.

Productivity gains and price increases from previous quarters even enabled us to more than compensate for cost inflation in the second quarter.

Although wages and salaries as well as other types of costs will continue to increase over the next quarters, we are very confident that we will also be able to keep the so-called economic equation net positive throughout fiscal 2023, too.

Our investments in cloud technologies accounted for €75 million in Q2, amounting to 140 basis points of negative margin impact on Digital Industries.

In total, we continue to expect around €300 million of cloud investments for fiscal 2023.

When it comes to free cash flow, the DI team fully lived up to its commitment to achieve a material catch-up and posted an excellent result of €1.2 billion along with a cash conversion rate that, at 0.91, was even well above the targeted level.

Operating working capital, in particular with regard to inventories, is still intentionally at an elevated level to safeguard our high-quality revenue growth.

Let's look now at how DI's key vertical end-markets are developing.

For the next quarters, we expect continuing growth momentum that will be partially driven by price inflation and will result from backlog execution.

We very closely monitor the underlying real investment sentiment, which has remained positive for our customer industries so far.

Our teams are close to our customers and markets. So, we are staying vigilant to react quickly if need be.

Now, let me give you the regional perspective on our strong growth in orders and revenue in the automation business:

As mentioned, automation orders normalized at a high level compared to a strong prior-year quarter, which you can see on the corresponding slide in the presentation.

This normalization was most notably visible in Europe and China, where the strong demand in Q2 of fiscal 2022 had materially benefited from "pull forward" effects.

Order development in China was very volatile in Q2. Some aftermath from the coronavirus was still noticeable. In addition, in anticipation of price increases, some orders had been pulled forward into Q1 of fiscal 2023.

The start into Q3 is signaling further normalization as we expected, because delivery times are – as is desirable – shortening again, and our distributors are reducing their stock levels.

Outstanding revenue growth in the automation business was broad-based across all regions. The corresponding slide shows the details on this growth.

Looking ahead, our teams are fully committed to leveraging improved global component availability for stringent and optimized backlog conversion and ultimately to further improve delivery times for our customers.

We expect Digital Industries to continue its fantastic performance from the first half year. As a result, we are raising our full-year guidance for revenue growth by 5 percentage points, and thus to a target range of 17 percent to 20 percent.

We are further narrowing the outlook for the profit margin and raising it by 200 basis points at midpoint to between 22.5 percent and 23.5 percent.

From today's perspective, our expectation for the third quarter is that revenue growth will be within the raised full-year guidance. Furthermore, we expect the profit margin to approach the lower end of the updated target range.

For Q3, we expect DI's software business to show revenue-growth rates below Q2 levels, depending on the timing of large orders that are expected in the electronic design automation, or EDA, business. From today's perspective, we expect the majority of these orders to be realized in Q4.

Digital Industries' profitability will slightly improve in comparison to Q1 of fiscal 2023, however, it will continue to be impacted by our SaaS transition.

For Q4, we expect a material rise in profitability – mainly due to the large orders in the EDA business.

Let's turn now to Smart Infrastructure, or SI for short, and to a truly fantastic second-quarter performance. The SI team delivered excellent growth in orders and revenue in robust end markets. Profitability rose to another quarterly all-time high, combined with an excellent cash-conversion rate.

In total, orders were up 9 percent, driven by exceptionally strong 34 percent growth in the electrification business. This growth was fueled by a series of larger orders from data centers, the semiconductor industry, and customers in the area of power distribution.

Overall, this rise led to a very healthy book-to-bill ratio of 1.13.

Revenue growth reached a remarkable 21 percent, with the largest contributions coming from the electrical products and electrification businesses, which were both up 28 percent.

In Q2, the SI team again managed their supply and logistic chains very successfully.

And as a result, this was Smart Infrastructure's best quarter ever, with a profit margin of 15.9 percent. The margin was up 480 basis points year-over-year, which means that it was at the upper end of the target corridor of 11 percent to 16 percent.

These strong results benefited from economies of scale based on accelerated revenue growth, optimized capacity utilization as well as ongoing cost improvements from SI's competitiveness program.

Pricing actions and productivity improvements more than compensated for headwinds from cost inflation, mainly from increases in wages and salaries.

As already indicated in February, SI achieved a strong rebound in free cash flow after a somewhat softer first quarter. At 1.02, the cash conversion rate was excellent despite substantial revenue growth.

Operating working capital was stabilized with lower receivables. In the course of Q2, we started to reduce the temporary inventory buildup that we had deliberately left at higher levels.

Smart Infrastructure will continue to see strong cash performance in the second half of fiscal 2023, too.

As with Digital Industries, we continue to see nominal growth in all key verticals at Smart Infrastructure, too. This growth is also substantially fueled by higher prices and by backlog execution.

We are closely watching the trends that underpin this growth and continue to see robust demand with real-term growth in all our major verticals.

Please refer to the corresponding slide in the presentation for further details on this topic.

Looking at the regional topline development, we saw broad-based order momentum.

In Germany, we saw – as we reported to you in connection with Q1 – the reversal of a “technical” shifting effect. In Q2, this reversal resulted in a negative impact of around 21 percentage points on orders.

In China, we were able to see some initial signs of recovery compared to a weak prior-year quarter, after the COVID policy was revised there. Orders rose 11 percent.

Revenue, too, increased across the board, with a most impressive 29 percent growth again in the U.S.

At this point, I would also like to note that Smart Infrastructure has developed a performance track-record that is extremely impressive – also in comparison with competitors. Among other things, SI has gained market leadership in the medium-voltage systems business, and we hold a strong No. 2 position in the electrical products business.

I congratulate the entire SI team on these outstanding achievements, and I am looking forward to seeing how things develop in the future.

For the second half of fiscal 2023, we continue to expect robust customer demand at SI. However, we assume that there will be a certain normalization in the product business because concerns about the supply chains, which have been strained until now, are being alleviated there. As a result, our customers are optimizing their inventories.

We also continue to see sequential revenue growth on high levels at SI. Year-over-year growth rates are gradually decelerating due to the very high levels from the corresponding prior-year quarters.

We expect the so-called economic equation to remain net positive for the second half of fiscal 2023, but less pronounced than in the first half, due to increasing effects from cost inflation.

After a stellar first half of the fiscal year at Smart Infrastructure, we are raising our full-year guidance for revenue growth by 500 basis points compared to the lower end of the previous corridor. We are also narrowing the targeted range and now expect a figure between 14 percent and 16 percent.

We assume that the profit margin will be between 14.5 percent and 15.5 percent, which corresponds to an increase of 100 basis points.

The third quarter will be characterized by rigorous processing of the order backlog. As a result, we expect the revenue growth rate and the profit margin to be within the raised target range for the full-year guidance.

Mobility delivered an outstanding quarter with regard to orders and revenue.

At €6.2 billion, orders marked an all-time quarterly high. They included, among others, the previously mentioned major win for locomotives in India and a large order for signaling systems in Singapore, which led to an exceptional book-to-bill ratio of 2.32.

The order backlog stands at €39 billion overall, with healthy gross margins continuing.

And our order pipeline continues to look very promising for the next quarters across all of Mobility's business activities.

Overall, revenue was up by a substantial 33 percent on double-digit growth in all businesses, led by the rolling stock business.

The prior-year quarter had been impacted by an exceptionally strong decline in revenue as a result of the sanctions against Russia. The Russia impact added 13 percentage points to the growth rate for Q2.

Mobility's profit margin was at 9.2 percent. It benefited from trailing effects of €78 million related to Russia, which were largely eaten up by accruals for incentive payments and by less favorable composition of the business due to the product mix. Without these effects, operational performance was at around 8 percent.

Mobility's free cash flow of €2 billion was impacted negatively by a lower level of larger project down payments and by shifts in the timing of some customer payments. We expect a clear catch-up effect in the second half of fiscal 2023, starting in Q3.

After a strong first half year with order backlog execution faster than expected, we are lifting our full-year guidance for revenue growth to between 10 percent and 12 percent. We still expect the profit margin to be between 8 percent and 10 percent.

For Q3, we expect revenue growth at the lower end of the raised full-year guidance. We assume that the profit margin will be within the guided corridor; more specifically, we expect it to be between 8 percent and 9 percent.

Let me keep the perspective on the results below our Industrial Businesses crisp. You will find more details in the full earnings bridge on page 26 of the presentation.

At this point, I would just like to briefly say this:

Siemens Financial Services enjoys very robust positioning thanks to prudent risk management and delivered a strong second quarter.

I am very pleased with the further improvement in operational performance within our Portfolio Companies. The announced carve out of the combined Innometrics business is also progressing according to plan.

With regard to our Siemens Energy investment, we partially reversed the impairment that we had recorded in fiscal 2022. This reversal led to a special non-cash gain of €1.6 billion.

After the capital increase by Siemens Energy, which – as you know – Siemens did not participate in, our stake in Siemens Energy was diluted from 35.1 percent to 31.9 percent.

For this reason, Siemens recorded an additional non-cash gain of €235 million.

For free cash flow, we achieved a material catch up effect compared to Q1, as we said we would. This strong performance, too, is clear evidence that we keep our promises.

Operating working capital was largely stable despite greater business opportunities. Strong collection of customer payments compensated for the growth-related and temporary inventory build-up that we have reported on several times. We expect to gradually lower this level of inventory in the coming quarters.

Excluding the non-cash impairment-reversal effect that I just mentioned in connection with our Siemens Energy investment, the cash conversion rate for Siemens on an all-in basis reached a very high level of 1.2.

We continue to expect another strong cash performance for full fiscal 2023.

Let me conclude with our outlook for the Group level:

We delivered very consistently on the ambitious commitment shared in November and further upgraded our outlook after a flying start in Q1.

Our teams have done an excellent job at processing our backlog rigorously. As a result, revenue and profitability for the first half of fiscal 2023 rose even higher than we had expected when we last reported to you.

We assume that we will be able to generate €30 billion in revenue in the second half of fiscal 2023 from our extremely strong order backlog. With this relatively high level of visibility, we are decidedly confident as we enter the second half of our fiscal year.

Therefore, we are raising our guidance for fiscal 2023 by a clear amount and are further narrowing our target corridors:

For the Siemens Group, we now expect comparable revenue growth in the range of 9 percent to 11 percent. This corresponds to an increase of 200 basis points compared to the lower end of the previous corridor.

We continue to expect a book-to-bill ratio above 1.

We expect this profitable growth of our industrial businesses to drive an increase in earnings per share before purchase price allocation, or PPA, accounting to a range of €9.60 to €9.90 in fiscal 2023. This range was previously expected at €8.90 to €9.40.

This excludes the €2.01 per share resulting from partial reversal of the previous impairment on Siemens' stake in Siemens Energy AG.

Of course, we also continue to monitor macroeconomic and political volatility closely and are in a position to act swiftly, if need be.

So – in a nutshell: The course is set for a strong second half of fiscal 2023.

Thank you!

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