

Strong operational performance and growth – Outlook confirmed

- **Orders rose 22 percent on a comparable basis to €21.0 billion (Q2 2021: €15.9 billion), with high growth rates at all industrial businesses**
- **At €17.0 billion, revenue increased 7 percent on a comparable basis (Q2 2021: €14.7 billion)**
- **Profit Industrial Business was €1.8 billion (Q2 2021: €2.0 billion) – due to impacts totaling €0.6 billion, mainly at Mobility, subsequent to sanctions imposed on Russia**
- **Net income was €1.2 billion (Q2 2021: €2.4 billion)**
- **Free cash flow for the Siemens Group increased to €1.3 billion and was thus even stronger than in the prior-year quarter (Q2 2021: €1.2 billion)**
- **Orderly wind down of industrial business activities initiated in order to exit the Russian market**

Siemens continued its growth path as a focused technology company also in Q2 (ended March 31, 2022). In Q2, the company leveraged increased growth opportunities in many key markets despite a continuing complex macroeconomic environment and confirms its outlook for the Siemens Group for the current fiscal year 2022. The impact on profit in Q2 subsequent to sanctions imposed on Russia totaled €0.6 billion due to impairments and other charges, mainly at Mobility. Siemens also initiated an orderly wind down of its industrial business activities in order to exit the Russian market.

Siemens confirms its financial targets for fiscal 2022 for the Siemens Group, which are based on continuing growth in global GDP and its expectation that the challenges to its businesses from COVID-19 and supply chain constraints will not worsen in the remainder of fiscal 2022. Under these conditions, Siemens expects its

Industrial Business to continue its profitable growth. Net income in fiscal 2021 included a positive contribution from divestments and other portfolio-related gains totaling €1.5 billion. Siemens assumes a similar positive contribution in fiscal 2022 from portfolio-related results net of burdens related to Russia.

“In the second quarter, Siemens continued its growth path and achieved strong operational performance. The rise in orders and revenue again reflects the trust our customers place in us to support digitalization, automation and sustainability. In an extremely challenging environment, our business continues to be strong,” said Roland Busch, President and Chief Executive Officer of Siemens AG.

“We join the international community in condemning the war in Ukraine and are focused on supporting our people and providing humanitarian aid. Today, we announced our decision to carry out an orderly process to wind down our industrial business activities in Russia,” Busch added.

“With strong operating results and excellent free cash flow of €1.3 billion, Siemens’ second quarter underlines our execution capabilities and strength, even in the face of significant headwinds. The now tangible results of our portfolio optimization and ongoing mitigation of supply chain challenges allow us to look confidently into the second half of our fiscal year. As a result, we confirm our outlook,” said Ralf P. Thomas, Chief Financial Officer of Siemens AG.

Profitable growth path successfully continued

In Q2, Siemens increased revenue 7 percent on a comparable basis, excluding currency translation and portfolio effects, to €17.0 billion (Q2 2021: €14.7 billion). Growth in orders was even stronger, increasing 22 percent on a comparable basis to €21.0 billion (Q2 2021: €15.9 billion). At 1.23, the book-to-bill ratio was at an excellent level. The order backlog totaled €94 billion.

Profit Industrial Business was €1.8 billion (Q2 2021: €2.0 billion) with a profit margin at the Industrial Business of 14.6 percent, excluding Russia-related impacts, and of 11.0 percent, including predominantly non-cash impacts of the decision to exit Russia (Q2 2021: 14.7 percent). Net income totaled €1.2 billion (Q2 2021: €2.4 billion). The decline in Profit Industrial Business and net income is largely

attributable to impairments and other charges totaling €0.6 billion, mainly at Mobility, subsequent to sanctions imposed on Russia. In addition, the prior-year quarter benefited from a one-time gain of €0.9 billion within discontinued operations from the sale of Flender GmbH. Basic earnings per share before purchase price allocation were €2.21, excluding Russia-related impacts, and €1.50, including predominantly non-cash impacts from the decision to exit Russia (Q2 2021: €2.96).

At €1.3 billion for the Siemens Group, free cash flow all-in from continuing and discontinued operations was again at an outstanding level (Q2 2021: €1.2 billion). The Industrial Business generated strong free cash flow of €1.9 billion and a cash conversion rate of 1.07.

Strong development at Digital Industries and Smart Infrastructure

Orders at Digital Industries rose by a total of 32 percent on a comparable basis to €5.9 billion, with increases across all businesses and regions due to ongoing growth momentum in major market segments. Revenue also increased by a total of 9 percent on a comparable basis to €4.6 billion due to strong growth in China and Europe. The largest contribution to orders and revenue came from the factory automation and motion control businesses. Profit totaled €826 million and exceeded the figure for the prior-year quarter by 2 percent, while the profit margin was 18.1 percent. Profitability was burdened mainly by lower revenue in the software business and higher expenses related to cloud-based activities, including effects from the accelerated transition of parts of the business to software-as-a-service (SaaS), which experienced strong customer demand in Q2.

At Smart Infrastructure, orders increased 22 percent on a comparable basis to €5.0 billion, driven mainly by sharp growth in the U.S., including larger contract wins for data centers and digital building services. Revenue grew across all businesses by 8 percent on a comparable basis to €4.0 billion, with the strongest contribution coming from the electrical products business. Profit increased 15 percent to €445 million compared to €386 million in the prior-year quarter. All businesses contributed to this strong performance mainly due to higher revenue, greater capacity utilization and cost reductions achieved through the execution of the previously announced competitiveness program. The profit margin increased to 11.1 percent (Q2 2021: 10.8 percent).

At Mobility, orders rose 13 percent on a comparable basis to €2.5 billion on higher volume from large orders, while revenue declined 9 percent to €2.1 billion. Subsequent to sanctions imposed on Russia, revenue primarily in the rolling stock and the customer services businesses was impacted by a reduction of revenue realized in prior periods totaling €0.2 billion and revenue that could not be recognized for work performed in Q2. As a result of the sanctions imposed on Russia, profit was impacted by around €0.6 billion due to impairments and other charges. Overall, Mobility posted a loss of €369 million. Excluding Russia-related impacts, Mobility's profit margin came in at 8.4 percent.

Outlook for the Siemens Group confirmed

For the Siemens Group, Siemens expects 6 percent to 8 percent growth in comparable revenue, net of currency translation and portfolio effects (previously expected at mid-single-digit), and a book-to-bill ratio above 1.

Siemens continues to expect the profitable growth of its Industrial Business to drive an increase in basic EPS from net income before purchase price allocation accounting (EPS pre PPA) to a range of €8.70 to €9.10, up from €8.32 in fiscal 2021. Net income in fiscal 2021 included a positive contribution from divestments and other portfolio-related gains totaling €1.5 billion. Siemens assumes a similar positive contribution in fiscal 2022 from portfolio-related results net of burdens related to Russia. Portfolio-related results include the sales of Yunex Traffic, the mail and parcel-handling business of Siemens Logistics and Siemens' stake in Valeo Siemens eAutomotive.

This outlook excludes burdens from legal and regulatory matters.

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In fiscal 2021, which ended on September 30, 2021, the Siemens Group generated revenue of €62.3 billion and net income of €6.7 billion. As of September 30, 2021, the company had around 303,000 employees worldwide. Further information is available on the Internet at www.siemens.com.

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