Resilience and growth opportunities in a volatile environment

Ralf P. Thomas, CFO Siemens AG
Notes and forward-looking statements

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as “expect,” “look forward to,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “project” or words of similar meaning. We may also make forward-looking statements in other reports, in prospectuses, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements.

Such statements are based on the current expectations and certain assumptions of Siemens’ management, of which many are beyond Siemens’ control. These are subject to a number of risks, uncertainties and factors, including, but not limited to, those described in disclosures, in particular in the chapter Report on expected developments and associated material opportunities and risks in the Combined Management Report of the Siemens Report (siemens.com/siemensreport).

Should one or more of these risks or uncertainties materialize, should decisions, assessments or requirements of regulatory authorities deviate from our expectations, should events of force majeure, such as pandemics, occur or should underlying expectations including future events occur at a later date or not at all or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens’ net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.
Accelerating value creation
Secular growth trends Automation, Digitalization and Decarbonization

- Market share gains on leading digital enterprise offering to drive sustainability
- Sales push in new verticals & customers
- Innovation strength in key technologies and new business models
- Strong profitability and SaaS transition fully on track

- Growth momentum through broad based product portfolio renewal, push for services and digitalization
- Strong margin expansion trajectory (+170 bps FY 21 vs. FY 19)
- Stringent execution of competitiveness program: e.g. footprint optimization, process automation and off-shoring

- Targeted growth in strategic focus areas (Platforms, Products, Automation, Lifecycle Services)
- Strong execution track record
- Industry leading profitability and cash generation
- Bundling of software businesses

Digital Industries

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (in €bn)</th>
<th>Book-to-bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/21</td>
<td>3.8</td>
<td>1.09</td>
</tr>
<tr>
<td>Q2/21</td>
<td>4.0</td>
<td>1.07</td>
</tr>
<tr>
<td>Q3/21</td>
<td>4.2</td>
<td>1.13</td>
</tr>
<tr>
<td>Q4/21</td>
<td>4.5</td>
<td>1.16</td>
</tr>
<tr>
<td>Q1/22</td>
<td>4.3</td>
<td>1.64</td>
</tr>
</tbody>
</table>

+11% growth

Smart Infrastructure

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (in €bn)</th>
<th>Book-to-bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/21</td>
<td>3.5</td>
<td>1.09</td>
</tr>
<tr>
<td>Q2/21</td>
<td>3.6</td>
<td>1.12</td>
</tr>
<tr>
<td>Q3/21</td>
<td>3.8</td>
<td>1.08</td>
</tr>
<tr>
<td>Q4/21</td>
<td>4.2</td>
<td>1.00</td>
</tr>
<tr>
<td>Q1/22</td>
<td>3.8</td>
<td>1.30</td>
</tr>
</tbody>
</table>

+6% growth

Mobility

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (in €bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/21</td>
<td>2.2</td>
</tr>
<tr>
<td>Q2/21</td>
<td>2.3</td>
</tr>
<tr>
<td>Q3/21</td>
<td>2.3</td>
</tr>
<tr>
<td>Q4/21</td>
<td>2.5</td>
</tr>
<tr>
<td>Q1/22</td>
<td>2.4</td>
</tr>
</tbody>
</table>

+7% growth
Disciplined investments to leverage global opportunities
Focus on targeted growth fields

**Capex Ratio IB¹**

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex Ratio IB</td>
<td>1.27</td>
<td>1.38</td>
<td></td>
</tr>
</tbody>
</table>

**Digital Industries**

- First digital native factory (Motion Control)
- Inaugurated 2021 with 117,000 m² floor space
- >1,200 employees in R&D and production

**Smart Infrastructure**

- Expansion Low Voltage manufacturing footprint
- $54m investment
- Supporting national infrastructure projects

**Mobility**

- Ramp up of lead cost Rolling Stock factory
- Double size of Serbian operation until 2025
- ~900 employees in production/engineering

**Siemens Healthineers**

- High Energy Photonics Center by 2023
- €350m investment
- Bundling of R&D and production of X-ray tubes and generators

¹ Capex incl. Operating Leases divided by amortization & depreciation without PPA and depreciation on right-of-use assets from leases

• Global footprint optimization across businesses
• Expansion in targeted growth areas
• Modernization and Decarbonization
We are mitigating raw material price inflation with pricing actions
Further stress on supply chains from Russia/Ukraine conflict & sanctions

Siemens Group Purchasing Volume

- PVO €28bn FY 21
- 82% Other purchasing categories
- 13% Raw materials\(^1\) (e.g. metals, plastics)
- 1% Energy resources\(^2\) (e.g. electricity, gas, oil)
- 4% Freight

Customer prices vs. Material cost inflation

- **Digital Industries**
  - H1/22e
  - H2/22e
- **Smart Infrastructure**
  - H1/22e
  - H2/22e
- **Mobility**
  - Contractual mitigation in project business

- Long-term contracts for raw materials and energy
- Strict hedging policy to avoid spot market volatility
- Global transparency on purchasing volumes, strong network of supply chain professionals with suppliers

---

1) Direct purchases and indirect exposure by 2\(^{nd}\) and 3\(^{rd}\) tier  
2) only direct purchases
Focused technology company
Continuing optimization and sharpening of portfolio

Focusing Mobility on core rail business

- Valeo to buy Siemens’ stake in VSeA
- Profit impact of ~€0.3bn in Portfolio Companies to be booked in Q2 FY 2022
- Closing expected in July 2022

POC divests Parcel Logistics business

- Attractive purchase price €950m
- Closing expected by September 2022
- Expected pre-tax gain of €0.6bn - €0.8bn to be recorded in Mobility, immaterial tax impact

Clean exit from Valeo Siemens joint venture

- Attractive purchase price €1.15bn, expected post-tax gain of €0.8bn - €1.0bn
- Closing expected during CY 2022
- Revenue ~€0.5bn (FY 22e), ~1,200 employees

50% Stake
Combining the real and digital worlds
SaaS transition progressing well according to plan

**DI SW - Annual Recurring Revenue (ARR)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY 21</th>
<th>FY 22</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>2.6</td>
<td>3.0</td>
<td>+11%²</td>
</tr>
<tr>
<td>Q2</td>
<td>2.7</td>
<td></td>
<td>4%</td>
</tr>
<tr>
<td>Q3</td>
<td>2.7</td>
<td></td>
<td>4%</td>
</tr>
<tr>
<td>Q4</td>
<td>2.9</td>
<td></td>
<td>5%</td>
</tr>
</tbody>
</table>

Target: ~40% by FY 25

**DI SW – Cloud Investment**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>€m</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 21</td>
<td>211</td>
</tr>
<tr>
<td>Q1 FY 22</td>
<td>55</td>
</tr>
<tr>
<td>FY 22e</td>
<td>240 - 280</td>
</tr>
</tbody>
</table>

1) ARR revenue: FX comparable

Clear operational progress in Q1

- **All major products cloud enabled, further investments** for cloud native SaaS applications
- **Ramp up of cloud platform support structures** ongoing
- **Cloud ARR increased to 6%, up 1ppt q-o-q**
- **~500 customers** have signed on to SaaS-model

**Customer examples**

- LIEBHERR
- SIMPLE
- SAIC
- NOVA Chemicals
Step-change in free cash flow performance
Excellent opportunities for value creation

**Cash Performance**
Free cash flow in % of revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>6%</td>
<td>7%</td>
<td>7%</td>
<td>11%</td>
<td>13%</td>
</tr>
</tbody>
</table>

- After Siemens Energy spin-off

**Capital structure**
Industrial net debt/EBITDA

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1 FY 21</th>
<th>Q2 FY 21</th>
<th>Q3 FY 21</th>
<th>Q4 FY 21</th>
<th>Q1 FY 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>x</td>
<td>1.1x</td>
<td>0.6x</td>
<td>1.9x</td>
<td>1.5x</td>
<td>1.4x</td>
</tr>
</tbody>
</table>

- Resilience in volatile environment and strong investment grade rating (A+ / A1)
- Further deleveraging throughout fiscal 2022 expected
- Pension deficit on low level of €2.9bn

- Substantially higher profitability and cash level
- Consistent cash delivery throughout the year
- Cash focus across Siemens, embedded in incentive system
# Outlook FY 2022

## FY 2022 Siemens Group

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book-to-bill</td>
<td>&gt;1</td>
</tr>
<tr>
<td>Revenue growth (Comparable)</td>
<td>Mid-single digit</td>
</tr>
<tr>
<td>EPS pre PPA</td>
<td>€8.70 – €9.10 [FY 2021: €8.32]</td>
</tr>
</tbody>
</table>

This outlook excludes burdens from legal and regulatory issues.

## FY 2022 Framework Siemens Businesses

<table>
<thead>
<tr>
<th>Business</th>
<th>Comparable revenue growth</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Industries</td>
<td>5 – 8%</td>
<td>19 – 21%¹)</td>
</tr>
<tr>
<td>Smart Infrastructure</td>
<td>5 – 8%</td>
<td>12 – 13%</td>
</tr>
<tr>
<td>Mobility</td>
<td>5 – 8%</td>
<td>10.0 – 10.5%</td>
</tr>
</tbody>
</table>

¹) therein impact from SaaS transition of up to 200 bps
Financial calendar

- March 17, 2022
  Bank of America Conference

- May 12, 2022
  Q2 Earnings Release

- May 12/13, 2022
  Roadshow UK

- May 17/18, 2022
  Roadshow US

- May 23 - 25, 2022
  Roadshow Germany, France, Switzerland

Investor Relations Contacts

- Eva Riesenhuber
  Head of Investor Relations
  eva.riesenhuber@siemens.com

- Johanna Gahl
  johanna.gahl@siemens.com

- Nikola Petrovic
  petrovic.nikola@siemens.com

- Alexander Wende
  alexander.wende@siemens.com

- Martin Bacherle
  martin.bacherle@siemens.com

siemens.com/investorrelations

investorrelations@siemens.com

+49 89 7805-32474