

Powerful finish to record fiscal year

- **Orders in fiscal 2023 rose 7 percent on a comparable basis to €92.3 billion (fiscal 2022: €89.0 billion)**
- **Revenue in fiscal 2023 grew 11 percent on a comparable basis to €77.8 billion (fiscal 2022: €72.0 billion)**
- **New record highs: Profit Industrial Business of €11.4 billion (fiscal 2022: €10.3 billion); profit margin Industrial Business climbed to 15.4 percent (fiscal 2022: 15.1 percent)**
- **Free cash flow for Siemens Group at record level of €10.0 billion (fiscal 2022: €8.2 billion)**
- **Net income nearly doubled to historic high of €8.5 billion (fiscal 2022: €4.4 billion)**
- **Increased dividend of €4.70 per share proposed (fiscal 2022: €4.25)**
- **Innomotics: Preparation of standalone options to be initiated**
- **Outlook for fiscal 2024: Siemens expects revenue growth of 4 percent to 8 percent on a comparable basis and basic earnings per share before purchase price allocation accounting, excluding the Siemens Energy Investment, of between €10.40 and €11.00**

Siemens successfully continued its profitable growth trajectory and set multiple new records in fiscal 2023 (ended September 30, 2023). In a historic, record-breaking performance by Siemens' operating business, revenue for the full year rose 11 percent on a comparable basis – excluding currency translation and portfolio effects – to the upper end of the company's raised guidance (9 percent to 11 percent). The profit and profitability of the Industrial Business reached new record levels as did net income. Shareholders are also to benefit from the company's outstanding performance. The Supervisory Board and Managing Board propose increasing the dividend from €4.25 in fiscal 2022 to €4.70 a share.

“Fiscal 2023 was a year of multiple records: In our Industrial Business, profit and profit margin reached their highest levels ever, and we nearly doubled our net income to a historic high. I would like to thank all our colleagues around the world for their tremendous contribution to these outstanding results. Our strategy is paying off, and we continue to accelerate the digital and sustainability transformations of our customers,” said Roland Busch, President and Chief Executive Officer of Siemens AG.

“In fiscal 2023, Siemens continued its path of value-creating growth and, for the first time ever, exceeded €10 billion in free cash flow,” said Ralf P. Thomas, Chief Financial Officer of Siemens AG. “Our shareholders will benefit from this success, with a proposed dividend increase to €4.70, a corresponding dividend yield of 3.5 percent and our expanded share-buyback program.”

Net income nearly doubled – Free cash flow at record high

In fiscal 2023, Siemens increased revenue 11 percent on a comparable basis to €77.8 billion (fiscal 2022: €72.0 billion). Orders grew 7 percent on a comparable basis to €92.3 billion (fiscal 2022: €89.0 billion). At 1.19, the book-to-bill ratio was at an excellent level (fiscal 2022: 1.24). At €111 billion, the order backlog again set a new record with high quality.

Digital business continued to grow rapidly and climbed around 12 percent to €7.3 billion (fiscal 2022: €6.5 billion), enabling Siemens in fiscal 2023 to considerably exceed its announced growth rate of an average annual growth of 10 percent.

Profit Industrial Business rose 11 percent to €11.4 billion (fiscal 2022: €10.3 billion). The profit margin of the Industrial Business improved to 15.4 percent (fiscal 2022: 15.1 percent). Net income came in at €8.5 billion (fiscal 2022: €4.4 billion). All three of these results are record highs in the company’s history. Corresponding basic earnings per share before purchase price allocation accounting (EPS pre PPA) were €10.77 (fiscal 2022: €5.47). Excluding the Siemens Energy Investment, which contributed €0.84 to EPS pre PPA, EPS pre PPA was €9.93 and exceeded the guidance (€9.60 to €9.90).

Free cash flow all-in at Group level from continuing and discontinued operations reached a record high, totaling €10.0 billion for the first time (fiscal 2022: €8.2 billion). The Industrial Business also reached a new high of €10.4 billion in free cash flow (fiscal 2022: €9.7 billion).

Powerful finish in Q4 with records in industrial businesses

In Q4 2023, orders grew 6 percent on a comparable basis to €21.8 billion on higher volumes from large orders at Mobility combined with growth at Siemens Healthineers and Smart Infrastructure. Revenue was also up, increasing 10 percent on a comparable basis to €21.4 billion (Q4 2022: €20.6 billion). Revenue was at a record level at all industrial businesses, with Smart Infrastructure making the largest contribution to growth. Profit Industrial Business grew 7 percent to €3.4 billion and achieved the highest quarterly level ever on significant increases at Digital Industries and Smart Infrastructure. The profit margin reached 16.5 percent. Net income totaled €1.9 billion compared to €2.9 billion in the prior-year quarter, which had benefited from a pre-tax gain of €1.1 billion from the sale of the mail and parcel-handling business.

Innomotics: Preparation of standalone options to be initiated

The carve-out of Innomotics was executed successfully as planned and is largely complete. The new company stands for operating effectiveness and innovative excellence among customers, suppliers and its more than 15,000 people. The positive financial performance and a healthy order backlog underline Innomotics' strong position as a leading supplier for large drives and motors. Therefore, all the conditions are now in place to initiate the next steps toward achieving Innomotics' full standalone setup, from a position of a strength.

For this reason, Siemens will begin preparations for Innomotics' public listing. At the same time, offers from third parties will also be carefully assessed and, where appropriate, considered as an alternative to the public listing. It will be ensured that the future ownership structure will offer the best conditions for sustainable, growth-oriented and value-creating development.

Outlook for fiscal 2024

The outlook for the Siemens Group for fiscal 2024 is based on the assumption that geopolitical tensions do not further increase. Under this condition, the Industrial Business is expected to continue its profitable growth.

For the Siemens Group, comparable revenue growth, net of currency translation and portfolio effects, in the range of 4 percent to 8 percent and a book-to-bill ratio above 1 is expected.

Digital Industries expects for fiscal 2024 comparable revenue development of 0 percent to 3 percent. This is based on the assumption that following destocking by customers, global demand in the automation businesses, especially in China, will pick up again in the second half of the fiscal year. The profit margin is expected to be 20 percent to 23 percent.

Smart Infrastructure expects for fiscal 2024 comparable revenue growth of 7 percent to 10 percent. The profit margin is expected to be 15 percent to 17 percent.

Mobility expects for fiscal 2024 comparable revenue growth of 8 percent to 11 percent. The profit margin is expected to be 8 percent to 10 percent.

This profitable growth of the Industrial Business is expected to drive an increase in basic EPS from net income before purchase price allocation accounting (EPS pre PPA), excluding Siemens Energy Investment, to a range of €10.40 to €11.00 in fiscal 2024, up from EPS pre PPA, excluding Siemens Energy Investment, of €9.93 in fiscal 2023.

This outlook excludes burdens from legal and regulatory matters.

This press release is available at: <https://sie.ag/2Mz7q7>

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In fiscal 2023, which ended on September 30, 2023, the Siemens Group generated revenue of €77.8 billion and net income of €8.5 billion. As of September 30, 2023, the company employed around 320,000 people worldwide.

Further information is available on the Internet at www.siemens.com.

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), and in the Interim Group Management Report of the Half-year Financial Report (provided that it is already available for the current reporting year), which should be read in conjunction with the Combined Management Report. 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, unrest or acts of war, 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.

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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.

All information is preliminary.