

Siemens Smart Infrastructure sets higher ambitions to drive next level of value creation

- **Commits to new mid-term targets: 6-9 percent comparable revenue growth and 16-20 percent target profit margin range over the cycle**
- **Exceeds mid-term targets announced at 2021 Capital Market Day, with 9 percent revenue growth, 17.3 percent profitability in fiscal 2024**
- **More than doubles digital business revenue to €1.7 billion, exceeding 2021 commitment ahead of time**
- **Continues to drive innovation in key markets of Buildings, Electrification, Electrical Products**

Siemens Smart Infrastructure (SI) held its Capital Market Event today showcasing outstanding financial performance and value creation. SI announced upgraded mid-term targets to achieve 6-9 percent comparable revenue growth and a target profit margin range of 16-20 percent over a 3-5-year cycle. It will continue to focus on delivering strong profitable growth, margin expansion and cash generation, with emphasis on value creation in key geographies and innovation across its portfolio and end markets. The business, which combines the real and the digital worlds for sustainable infrastructure, announced it had outperformed the market, including outgrowing its direct competitors, and exceeded the commitments made during Siemens Capital Market Day in June 2021.

SI exceeded its previous mid-term targets, achieving 11 percent CAGR for revenue growth in the period fiscal 2020-2024. Its record 17.3 percent profit margin in fiscal 2024 was well above the targeted 11-16 percent profit margin over the cycle. During the past four years, SI has more than doubled its digital business revenue to €1.7 billion, exceeding the €1.5 billion target it had announced back in 2021, one year

ahead of time. The business has also been a strong contributor to support Siemens meet and exceed ambitious sustainability targets.

For fiscal 2025, SI is targeting a major advance towards its upgraded commitments, aiming for revenue growth of 6-9 percent and a profit margin range of 17-18 percent. The strong position it holds today will enable the business to continue capitalizing on growth drivers resulting from global megatrends, including electrification, decarbonization, resource efficiency, data and AI, resilience and people centricity – all recognized as drivers of the digital and sustainability transitions. With a clear commitment to supporting customers' decarbonization goals, SI helped them avoid 44 million tons of CO₂ emissions in fiscal 2024 alone.

“We set ambitious commitments and we delivered. Now, we’re raising the bar again with new targets to unlock the next level of value creation,” said Matthias Rebellius, member of the Managing Board of Siemens AG and CEO of Smart Infrastructure.

“As a global technology leader in this rapidly evolving market, our Smart Infrastructure business is in a sweet spot, strategically positioned to capitalize on growth drivers. We help customers across a broad range of industries and geographies to increase their efficiency so they can operate both profitably and sustainably and reach their own financial targets in a competitive environment.”

Commenting on SI's achievements, Siemens AG's Chief Financial Officer Ralf P. Thomas said: “Over the past years, Smart Infrastructure impressively demonstrated how successful a well-prepared and consistently executed transformation can be. The business operated exceptionally well across all metrics in a dynamically growing market. SI has been and will continue to be a key pillar of Siemens' overall success. With the medium-term targets announced today, we are confident that SI will continue to drive strong revenue growth, margin expansion and cash generation – not only for SI, but also for Siemens as a whole.”

Next chapter: Building on success to create value, expand digital portfolio

For its next phase, SI will carry on investing in its broad-based global presence, implementing a local-for-local strategy and capacity expansion, while nurturing in-country talent in its stronghold markets such as the United States and India. These investments will deliver scalable results in established end markets, such as data centers, healthcare and power utilities, to continue to grow faster than the market. It

will seek to maintain a resilient and versatile business mix by expanding its digital and service business and concentrating on high margin, data-driven products to increase recurring revenue.

The business will continue to expand its digital and service focus. Its digital revenue increase is not only attributed to software, but also to remote and data-driven services – key drivers of profitability. Since 2021, it has successfully shifted its business mix towards more margin accretive products and a higher share of standardized systems and solutions.

SI is strengthening its technological leadership across Buildings, Electrification and Electrical Products by integrating cutting-edge innovations into the Siemens Xcelerator portfolio. Siemens Xcelerator, the company's open digital business platform, combines SI's offerings with the competences of partners and developers for the benefit of customers. So far, the business has introduced three distinct umbrella portfolio categories to the platform: Building X, Electrification X and Gridscale X. All three have contributed to a revenue increase of above 20 percent in SI's digital portfolio during the last year. SI will continue to expand its portfolio of repeatable and scalable products for cross-market implementation, while focusing on high-growth markets such as data centers.

In fiscal 2024, SI exceeded its order intake expectations for data center business with a growth rate of around 60 percent, realizing more than €3.6 billion in orders, boosting revenue growth above 50 percent to more than €2 billion. The business enjoys longstanding relationships with all major tier-1 hyperscaler operators in the already booming data center business, fueled by the rise of AI. Its expertise, investments in scaling capacity to support customers, and constant, reliable delivery have persistently paid off.

SI's addressable market continues to expand, growing 5-6 percent in the mid-term, and is forecast to reach more than €300 billion by 2029, from €185 billion in 2020. The business achieved above market growth across all business areas, propelled by excellent execution on exponential demand for Electrification and Electrical Products. The Electrification business is currently the market leader in medium voltage switchgear, Protection & Automation IEC, Grid Planning, and Meter Data Management. The Electrical Products business has jumped from fourth to second

place in the market. The Buildings business unit has the largest service business within Siemens and is leading in digital services for smart buildings, with 140,000 connected building management systems.

Innovation and M&A

Innovation and sustainability are at the heart of SI's strategy. Its groundbreaking products that support the electrification of everything include the IoT-connected SENTRON ECPD, the world's fastest electronic circuit protection device, which requires up to 90 percent less material — and the environmentally-friendly, F-gas-free blueGIS portfolio for medium voltage power supply, launched ahead of regulations in Europe. For buildings operators, examples include the Wireless Plug and Play Automation Bundle that works with Building X to reduce labor and energy costs, as well as Connect Box, which enables more efficient management of small and medium-sized buildings.

SI has bolstered its portfolio with strategic acquisitions, including C&S Electric in 2021 to address India's growing power needs, Brightly Software in 2022 to enhance digital building operations, and Trayer Engineering and Danfoss Fire Safety in 2024 to boost grid resilience and fire safety innovation. These investments highlight SI's commitment to driving growth and innovation in fast-growing markets.

This press release available at <https://sie.ag/3npKaL>

For more information on Siemens Smart Infrastructure, please see [Siemens Smart Infrastructure](#).

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Siemens Smart Infrastructure (SI) is shaping the market for intelligent, adaptive infrastructure for today and the future. It addresses the pressing challenges of urbanization and climate change by connecting energy systems, buildings, and industries. SI provides customers with a comprehensive end-to-end portfolio from a single source – with products, systems, solutions, and services from the point of power generation all the way to consumption. With an increasingly digitalized ecosystem, it helps customers thrive and communities progress while contributing toward protecting the planet. Siemens Smart Infrastructure has its global headquarters in Zug, Switzerland. As of September 30, 2024, the business had around 78,500 employees worldwide.

Siemens AG (Berlin and Munich) is a leading technology company focused on industry, infrastructure, mobility, and healthcare. The company's purpose is to create technology to transform the everyday, for everyone. By combining the real and the digital worlds, Siemens empowers customers to accelerate their digital and sustainability transformations, making factories more efficient, cities more livable, and transportation more sustainable. Siemens also owns a majority stake in the publicly listed company Siemens Healthineers, a leading global medical technology provider pioneering breakthroughs in healthcare. For everyone. Everywhere. Sustainably. In fiscal 2024, which ended on September 30, 2024, the Siemens Group generated revenue of €75.9 billion and net income of €9.0 billion. As of September 30, 2024, the company employed around 312,000 people worldwide on the basis of continuing operations. 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 (www.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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