Strong topline momentum and solid execution – Outstanding Free cash flow

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

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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.
Focus on operational execution and driving strategic initiatives
Current macroeconomic challenges as potential mid-term growth drivers

Macroeconomic perspective

Short-term: Macro challenges
Geopolitics impacting energy & gas availability
Inflation & rising interest rates
Supply chain constraints
Pandemic

Mid- to long-term: Secular growth
Growth drivers fully intact
Need for automation, digitalization, decarbonization
Current challenges accelerate transformation

Siemens is well positioned

- Low energy / low gas intensive business
- Implementation of gas contingency measures
- Scenario planning, tight Opex management
- Balanced geographic footprint provides flexibility
- Economic equation: pricing actions and productivity balance cost increases

- Technology leader combining real & digital worlds
- Attractive portfolio with growing digital and services share
- Customers save >100x CO₂ than caused by Siemens operations
- Execution of strategic initiatives fully on track
- Good visibility with record order backlog of €99bn
Siemens Group with well balanced footprint across geographies
Diversified supply chain and proactively managed risk exposure

- **Americas**
  - Revenue: €51.4bn YTD, 29%
  - Factories: ~180, 25%
  - Purchasing volume: ~€25bn YTD, 22%

- **EMEA**
  - Revenue: €51.4bn YTD, 47%
  - Factories: ~180, 49%
  - Purchasing volume: ~€25bn YTD, 55%
  - Therein GER: Close to 100% of electricity from renewable sources in Europe

- **Asia Pacific**
  - Revenue: €51.4bn YTD, 24%
  - Factories: ~180, 26%
  - Purchasing volume: ~€25bn YTD, 23%
  - ~280 GWh p.a. gas usage, thereof ~90% heating

Direct energy ~1%
Q3 Key topics
Strong demand with outstanding cash generation, consistent execution on portfolio

- **Excellent order momentum:** Book-to-bill 1.23, record high quality order backlog of €99bn
- **Further gaining market share in DI Automation:** Revenue up +15%
- **SaaS-Transformation on track:** ARR +13%, Cloud ARR up 3ppts to 12% share
- **Outstanding cash generation:** FCF all in of €2.3bn; further €2.3bn divestment proceeds by July
- **Strong balance sheet:** A+/A1 credit rating; share buyback accelerated to €1.1bn YTD
- **Stringent execution of strategic initiatives:** Grow digital, drive sustainability, optimize portfolio
- **Guidance:** Adjusted for non-cash impairment of Siemens Energy stake only

Step change in performance
Free cash flow in % of sales
Solid operational performance
Strong topline – cash performance again outstanding

Orders
€22.0bn
+1%

Revenue
€17.9bn
+4%

IB Profit margin
17.0%

EPS pre PPA
-€1.85
€1.52 excl. Siemens Energy impact

Free Cash Flow (all in)
€2.3bn

Indust. Net debt/EBITDA
1.6x

Note: Orders and Revenue growth comparable
Combining the real and digital worlds
Siemens Digital Business with strong growth trajecotry

Revenue Digital Business\(^1\)

€bn

<table>
<thead>
<tr>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022e</th>
<th>FY 2025e</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.3</td>
<td>5.6</td>
<td>4.7</td>
<td>~10% CAGR</td>
</tr>
</tbody>
</table>

Digital Industries
- SaaS transition fully on track
- Supplyframe integration and performance ahead of plan

Smart Infrastructure
- Acquisition of SaaS business Brightly
- Launch Building X
- Grid Software and GIS-leader Esri boost creation of holistic digital twin of the grid

Mobility
- Mobility as a Service (MaaS) Partnership Network facilitates collaboration

Advanta
- Acquisition of Spanish ‘Innovation Strategies’, a digital consulting services company

\(^1\)“Digital Business” means Siemens vertical specific software and IoT services from Smart Infrastructure, Digital Industries, Mobility, Siemens Advanta; unconsolidated values

Note: GIS – Geographic Information Systems
Siemens Xcelerator – the open digital business platform
Taking digitalization to the next level

Siemens Xcelerator launched …

… consisting of three building blocks

A comprehensive, curated portfolio that includes digital and IoT-enabled offerings from Siemens and certified partners

A continuously growing, powerful ecosystem of partners

An evolving marketplace to explore, educate, exchange and transact alongside a community of customers, partners and experts
Powerful ecosystem: Siemens and NVIDIA to enable industrial metaverse
Expansion of partnership to bring industrial automation to a new level

Market leaders delivering customer value… … through complementary technologies

- **Companies** of all sizes to employ **digital twins** with real time performance data enabling **immersive simulations**
- **Faster**, more **confident decision making**
- **Driving sustainability, efficiency & productivity gains**

- **Siemens** Process Simulation connects to **NVIDIA Omniverse** to enable a **physics-based, real-time and photorealistic digital twin** from edge to cloud
- **Virtual world** where **people** can **collaborate** to solve **real world problems**
Combining the real and digital worlds
Stringent strategy execution – SaaS transition fully on track

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

<table>
<thead>
<tr>
<th></th>
<th>FY 21</th>
<th>9M FY 22</th>
<th>FY 22e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of Cloud ARR</td>
<td>€bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3 FY 21</td>
<td>2.7</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Q1 FY 22</td>
<td>3.0</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Q2 FY 22</td>
<td>3.1</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Q3 FY 22</td>
<td>3.3</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

+13%\(^1\)

Target: ~40% by FY 25

**Continuing progress in Q3**

- ~76% of customer renewals are SaaS based with more than 80% of total contract value
- Cloud ARR increased to 12%, up 3ppt q-o-q
- 3x cloud revenue at PLM in Q3 compared to Q1
- ~2,350 customers have signed on to SaaS-model, placing ~3,350 orders in FY 22 YTD
- Share of new customers grows q-o-q, Q3 with net new share of ~58%
- ~69% of SaaS customers are SME’s as of Q3

1 ARR revenue: FX comparable

~69% of SaaS customers are SME’s as of Q3

**DI SW – Cloud investment**

<table>
<thead>
<tr>
<th></th>
<th>FY 21</th>
<th>9M FY 22</th>
<th>FY 22e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of Cloud ARR</td>
<td>€m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>211</td>
<td>192</td>
<td>260 - 280</td>
</tr>
<tr>
<td>Q2</td>
<td>61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>55</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Moving Egypt
A modern, sustainable rail system that will transform the everyday

Sixth largest high-speed rail system

- Strengthening economy through safe & reliable transport infrastructure
- Developing local jobs & skills and sustaining the environment
- Bringing state-of-the-art rail technology to Egypt

Customer challenge

Solution

Customer benefit

- About 500m journeys p.a. with significantly less travel time
- 70% less emissions compared to bus/car passenger travel
- >1 Mt CO_{2} savings p.a. for passenger and freight transport
- >40,000 jobs to be created in Egypt, local skill development

Three lines with 2,000 km of electrified rail network: high-speed, commuter & freight lines
- Fully integrated system with Siemens trains & rail infrastructure
- Digital services and 15-years maintenance contract
- Total contract value of €8.1bn

- Mersa Matruh
- El Alamein
- Alexandria
- October Gardens
- New Administrative Capital
- Ain Sokhna
- Qena
- Luxor
- Aswan
- Abu Simbel
- Hurghada
- Safaga
- Alexandria
Empowering customers and expanding the ecosystem
Sustainability at the core of our businesses focused on customer impact

**Digital Industries**
Strategic partnership with Skeleton
Holistic digital enterprise for new supercapacitor factory, a key component to save energy & CO₂

**Smart Infrastructure**
University of East London
Strategic partnership for net-zero carbon by 2030, developing a talent pipeline & “living lab” for research

**Mobility**
NEB – Berlin/Brandenburg region
First order for hydrogen-based fleet of trains, saving 3k tons CO₂ and 1.1m liters of diesel annually

**Acquisition of Senseye**
SaaS solutions for predictive maintenance and asset intelligence to improve sustainability

**Electrify America**
Equity invest together with VW to expand largest ultra-fast charging network in the U.S.

**Transport for London**
Elizabeth Line opened - signaling, control & communication systems for enhanced passenger experience
Focus on Sustainability
Stringent execution of DEGREE across all action fields

Sustainability progress

Selected highlights from Q3

Strong customer sustainability rating
- Performance increased to 67 points (up 6 points over 2021)
- Positions Siemens among best 4% within industry peer group

Driving decarbonization in data centers
- SI joins iMasons Climate Accord
- Community of digital infrastructure providers to increase transparency and reduce CO₂

Excellent employee engagement
- Continuing strong bonding reflected in highest People NPS rating ever (People NPS of 37)
Focused technology company with continuing optimization of portfolio
LDA carve out fully on track

**Acquisitions**

- **sqills**
  - Closing (Q1)
- **brightly**
  - Closing (Q4)
- **senseye**
- **nova technology**
- **Bolt ons**

**Strategic Options**

**FY 2022**

- **FLUENCE**
  - IPO (Q1)
- **YUNEX TRAFFIC**
  - Closing (Q3)
- **Mail and Parcel Logistics**
  - Closing (Q4)
- **Valéo SIEMENS eAutomotive**
  - Closing (Q4)
- **SGS**
- **NEMA Motors**
  - Signed

**FY 2023**

- **Commercial Vehicles**
  - Closing (Q1e)
- **Large Drives Applications**
  - Carve out ongoing

**Bolt ons**

- **Smaller divestments**
- **SGS**
- **NEMA Motors**
  - Signed
Digital Industries (DI)
Excellent topline and fabulous free cash flow, margin impacted by mix

• Excellent order momentum in short cycle business ongoing
• Record backlog >€13bn
• Lead times remain on high level

Orders

€bn

+32% \(^1\)

Q3 FY 21 4.7
Q3 FY 22 6.5

Revenue

€bn

+12% \(^1\)

Q3 FY 21 4.2
Q3 FY 22 4.9

Profit Margin

% Profit margin excl. severance

-200bps

Q3 FY 21 20.4%
Q3 FY 22 18.8%

Free Cash Flow

€m

+12%

Q3 FY 21 1,115
Q3 FY 22 1,244

Discrete Automation up 16%, driven by Motion Control
Process Automation with 8% growth
PLM Software with progressing SaaS transition, EDA up 20%
SaaS transition on track
Less favorable mix due to component shortages for high margin products
Severance -50bps, mostly due to Russia
Continuing excellent performance
High level of Advance payments in China

1 Comparable, excl. FX and portfolio

xx xx therein Software

xx.xx Profit margin excl. severance

xx Cash Conversion Rate
Growth in industry revenue across all verticals, also benefitting from price inflation

Underlying demand closely monitored

<table>
<thead>
<tr>
<th>Vertical end markets</th>
<th>Revenue exposure</th>
<th>Market trend Q2 22</th>
<th>Market trend Q3 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>20%</td>
<td>→</td>
<td>↑</td>
</tr>
<tr>
<td>Machine Building</td>
<td>15%</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Pharma &amp; Chemicals</td>
<td>10%</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>10%</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Electronics &amp; Semiconductors</td>
<td>10%</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Aerospace &amp; Defense</td>
<td>5%</td>
<td>↑</td>
<td>↑</td>
</tr>
</tbody>
</table>

1 Y-o-Y industry revenue development based on industry production data from statistical office sources (e.g. NBoS, US Fed, Eurostat)
## Digital Industries (DI)

### Strong topline performance despite material challenges from China lockdowns

<table>
<thead>
<tr>
<th>Region</th>
<th>Orders</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>+32%</td>
<td>+14%</td>
</tr>
<tr>
<td>Germany</td>
<td>+22%</td>
<td>+11%</td>
</tr>
<tr>
<td>Italy</td>
<td>+35%</td>
<td>+17%</td>
</tr>
<tr>
<td>U.S.</td>
<td>+24%</td>
<td>+8%</td>
</tr>
</tbody>
</table>

**Q3 FY 22 – Key regions Automation (excl. Software)**

- **China**: +32% Orders, +14% Revenue - Impressive topline despite lockdown
- **Germany**: +22% Orders, +11% Revenue - Orders and revenue up across all businesses
- **Italy**: +35% Orders, +17% Revenue - Topline performance continued on high level
- **U.S.**: +24% Orders, +8% Revenue - Strong demand in Process & Discrete

**Q3 FY 22 – Software**

- **Global**: +3% Orders, +1% Revenue - Growth supported by EDA; ARR up double-digit, reflecting progress of SaaS transition

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Note: Growth rates Comparable, excl. FX and portfolio
Smart Infrastructure (SI)
Very strong Q3 performance, continuing margin expansion

Orders
€bn
Q3 FY 21 | Q3 FY 22
---|---
4.1 | 5.5

+26%\(^1\)

Revenue
€m
Q3 FY 21 | Q3 FY 22
---|---
3.8 | 4.4

+10%\(^1\)

Profit Margin
\% Profit margin excl. severance
Q3 FY 21 | Q3 FY 22
---|---
11.6% | 13.1%

+150bps

Free Cash Flow
€m
Q3 FY 21 | Q3 FY 22
---|---
511 | 402

-21%

-\( x.x \) Cash Conversion Rate

-\( x.x \) Profit margin excl. severance

-\( x.x \) therein Service

-\( x.x \) Comparable, excl. FX and portfolio

-\( x.x \) Revenue growth and economies of scale

-\( x.x \) Cost reductions from competitiveness program

-\( x.x \) Including gain on SGS divestment of 120 bps

-\( x.x \) Solid performance

-\( x.x \) Temporarily higher net working capital to secure production

-\( x.x \) Six large data center wins

-\( x.x \) Buildings up 11%

-\( x.x \) Backlog >€14bn

-\( x.x \) Electrical Products 40% up

-\( x.x \) Electrification 38% up

-\( x.x \) Electrical Products with excellent 18% growth

-\( x.x \) Buildings 4% up on strength in Products

-\( x.x \) Electrification 11% up

-\( x.x \) Service business up 6%
Smart Infrastructure (SI)

Broad based order strength

Clear revenue growth again driven by Electrical Products

Q3 FY 22 – Key regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Orders</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>-7%</td>
<td>-7%</td>
</tr>
<tr>
<td>Germany</td>
<td>+12%</td>
<td>+6%</td>
</tr>
<tr>
<td>EMEA excl. Germany &amp; Middle East</td>
<td>+26%</td>
<td>+9%</td>
</tr>
<tr>
<td>U.S.</td>
<td>+48%</td>
<td>+12%</td>
</tr>
</tbody>
</table>

Orders up double-digit across all businesses

Hyper order growth in Data Center, Revenue strength in Electrical Products

Topline slowed down by pandemic and recent lockdowns

Orders up double-digit across all businesses

Hyper order growth in Data Center, Revenue strength in Electrical Products

Clear growth in Europe and Americas

Note: Growth rates Comparable, excl. FX and portfolio
## Smart Infrastructure (SI)

Growth in all vertical end markets, also benefitting from price inflation

Underlying demand closely monitored

<table>
<thead>
<tr>
<th>Vertical end markets</th>
<th>Revenue exposure</th>
<th>Market trend Q2 22</th>
<th>Market trend Q3 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Buildings</td>
<td>20%</td>
<td>✓</td>
<td>▲</td>
</tr>
<tr>
<td>Public Sector / Education</td>
<td>10%</td>
<td>▲</td>
<td>▲</td>
</tr>
<tr>
<td>Power Distribution</td>
<td>10%</td>
<td>▲</td>
<td>▲</td>
</tr>
<tr>
<td>Electrical &amp; Electronics</td>
<td>5%</td>
<td>▲</td>
<td>▲</td>
</tr>
<tr>
<td>Healthcare</td>
<td>5%</td>
<td>▲</td>
<td>▲</td>
</tr>
<tr>
<td>Data Centers</td>
<td>5%</td>
<td>▲</td>
<td>▲</td>
</tr>
</tbody>
</table>

1 Y-o-Y vertical market development, majority of distributor revenue as part of Commercial Buildings
Mobility (MO)
Yunex gain, effects from Russia wind down and supply chain challenges

Orders
€bn
-48%
5.1
2.8
Q3 FY 21
Q3 FY 22

Revenue

Profit Margin

Free Cash Flow

€m
+1980bps
28.7%
10 - 13%
-240
0.07
Q3 FY 21
Q3 FY 22
Q3 FY 21
Q3 FY 22
Q3 FY 21
Q3 FY 22

-240
-11.9
>100%
47

Moderate order growth in Rail Infrastructure
Rolling Stock lower on tough comparables, strong locos
Backlog at €36bn with healthy gross margin
Clear growth in Rolling Stock
Rail Infrastructure modestly up
Therein Service up 3%
Several one-off effects:
Yunex gain ~30.1 ppts,
Russia wind down ~360bps,
Impairment on intangible assets ~180bps
Performance still impacted by material & logistics constraints and pandemic
Shift of customer payments to Q4; significant catch up expected
Yunex proceeds strengthen Siemens liquidity outside Free Cash Flow

1 Comparable, excl. FX and portfolio
xx therein Service
xx% Profit margin excl. severance
xx% Cash Conversion Rate

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Siemens Financial Services (SFS)
Solid FY22 YTD performance despite material impacts due to Russia

**Earnings before Taxes (EBT)**

<table>
<thead>
<tr>
<th>Period</th>
<th>€m</th>
<th>YTD FY 21</th>
<th>YTD FY 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY 22</td>
<td>196</td>
<td>393</td>
<td>410</td>
</tr>
<tr>
<td>Q2 FY 22</td>
<td>138</td>
<td>48</td>
<td>221</td>
</tr>
<tr>
<td>Q3 FY 22</td>
<td>75</td>
<td>Incl. -€180m Russia</td>
<td>1.8</td>
</tr>
</tbody>
</table>

**Total Assets**

<table>
<thead>
<tr>
<th>Period</th>
<th>€bn</th>
<th>YTD FY 21</th>
<th>YTD FY 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY 22</td>
<td>30.8</td>
<td>29.7</td>
<td>32.7</td>
</tr>
<tr>
<td>Q2 FY 22</td>
<td>31.4</td>
<td>32.7</td>
<td>32.7</td>
</tr>
<tr>
<td>Q3 FY 22</td>
<td>32.7</td>
<td>FX effect vs. Q3 FY21 +€2.4bn</td>
<td>1.8</td>
</tr>
</tbody>
</table>

**Q3 developments**

- **Equity Business** with outstanding result including *material gain on sales* of investments
- **Debt Business** strongly influenced by Russia-related impacts, mainly resulting from *impairments* on the *leasing business in Russia*
- Higher *credit risk provisions*
- **Increase** in total assets primarily driven by currency effects
Below Industrial Businesses
Non-cash impairments on Siemens Energy Investment & leasing business in Russia

Q3 FY 22 – Performance Below IB

€m

-2,852
75
-2,855

Therein:
-€123m
Russia related impact
-€442m
Russia related impact:
-€125m
Thoughtworks revaluation

-2,703
-152

Therein:
-€2,703m
Impairment;
-€152m
At equity income and PPA

Tax Rate @ -67%

Minorities €125m

IB
SFS
SE Invest
Other Below IB items
PPA
Tax
Income Cont. Ops
Disc. Ops.
Net Income

-1,531

therein:
-€123m
Russia related impact

-611
-1,523

-7

Therein:
-€442m
Russia related impact;
-€125m
Thoughtworks revaluation

-1,655

therein:
-€2,703m
Impairment;
-€152m
At equity income and PPA

-1,523

There are:
- Siemens Energy Investment:
  Impairment of €2.7bn and at equity loss
- Tax rate: Driven by non-tax-deductible impairment on SE stake
- Net Income: Driven by non-cash impairments

Note: Other Below IB items contains POC; SRE; Innovation; Governance; Pensions; Financing, Elimination, Other
Detailed split see page 29

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Excellent and consistent performance

Free cash flow and liquidity

FCF Industrial Businesses

- All businesses contributing to free cash flow; Digital Industries outstanding with excellent cash conversion of 1.38

Additional proceeds from divestments

- €0.9bn in Q3 for Yunex, €1.5bn in early Q4 for Parcel Logistics and Valeo Siemens

Share buyback sharply accelerated

(current program €3bn until 2026)

Stringent working capital management

- All businesses contributing to free cash flow; Digital Industries outstanding with excellent cash conversion of 1.38
Guidance adjusted only for Siemens Energy impairment
Strong operational performance & higher divestment gains balance Russia net income impact

EPS pre PPA FY 22

- Initial EPS guidance: €8.70 - €9.10
- SE Impairment of €2.7bn
- EPS Guidance as of Q3: €5.33 - €5.73

Key considerations for FY 22 guidance

- Portfolio gains:
  Additional €0.7bn, increased from €1.5bn to €2.2bn

- Not foreseen:
  Russia wind down with €-1.1bn impact YTD
  (Q2: -€572m, Q3: -€558m)

- Further compensating Russia impact:
  Strong operational performance in Industrial Business

- Guidance adjusted only for non-cash Siemens Energy impairment of €2.7bn
## Updated outlook FY 2022

<table>
<thead>
<tr>
<th>FY 2022 Siemens Group</th>
<th>FY 2022 Framework Siemens Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Book-to-bill</strong></td>
<td><strong>Comparable revenue growth</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Profit margin</strong></td>
</tr>
<tr>
<td>&gt;1</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue growth</strong></td>
<td>6 – 8%</td>
</tr>
<tr>
<td>(Comparable)</td>
<td></td>
</tr>
<tr>
<td><strong>EPS pre PPA</strong></td>
<td><strong>Digital Industries</strong></td>
</tr>
<tr>
<td>€5.33 – €5.73</td>
<td>9 – 12%</td>
</tr>
<tr>
<td><strong>EPS pre PPA</strong></td>
<td><strong>Smart Infrastructure</strong></td>
</tr>
<tr>
<td>without SE impairment</td>
<td>6 – 9%</td>
</tr>
<tr>
<td>€8.70 – €9.10</td>
<td>12 – 13%</td>
</tr>
<tr>
<td>This outlook excludes burdens from legal and regulatory issues.</td>
<td></td>
</tr>
</tbody>
</table>

1 therein impact from SaaS transition of up to 200 bps
Below Industrial Business
One-off non-cash headwinds mainly from SE impairment and Russia wind-down effects

Q3 FY 22 – Performance Below IB

€m

-2,855
-2,882
75
5
-38
-119
-34
-259
-582
-611
-1,523
-1,531
-1,655
-1,523
-442
-125
-123
125
66
2,703
152
2,703
442
125

Therein:
-€123m Russia related impact
€66m Divestment gain
-€2,703m Impairment;
-€152m At equity income, PPA

Therein:
-€442m Russia related impact
-€125m Thoughtworks revaluation

Tax Rate @ -67%

Minorities €+125m
SAG €-1,655m
## Below Industrial Businesses

Updated outlook mainly driven by SE impairment

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>9M FY 22</th>
<th>Expectation for FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit Ind. Business</strong></td>
<td>8,786</td>
<td>7,119</td>
<td></td>
</tr>
<tr>
<td><strong>SFS</strong></td>
<td>512</td>
<td>410</td>
<td>Operative RoE at lower end of target range 15 – 20%</td>
</tr>
<tr>
<td><strong>POC</strong></td>
<td>-84</td>
<td>357</td>
<td>~€1.4 – 1.6bn, on successful strategy execution and value creation</td>
</tr>
<tr>
<td><strong>SE Investment</strong></td>
<td>-396</td>
<td>-2,986</td>
<td>Based on SE performance</td>
</tr>
<tr>
<td><strong>SRE</strong></td>
<td>94</td>
<td>-2</td>
<td>On FY 2021 level, dependent on disposal gains</td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td>-207</td>
<td>-118</td>
<td>On FY 2021 level</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td>-751</td>
<td>-312</td>
<td>Substantially lower than FY 2021; ~€0.5bn</td>
</tr>
<tr>
<td><strong>Pensions</strong></td>
<td>-170</td>
<td>-80</td>
<td>On FY 2021 level</td>
</tr>
<tr>
<td><strong>PPA</strong></td>
<td>-738</td>
<td>-755</td>
<td>~€1.0bn; full year Varian impact</td>
</tr>
<tr>
<td><strong>Financing, Elim., Other</strong></td>
<td>452</td>
<td>-348</td>
<td>~€0.5bn to -0.6bn</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>-1,861</td>
<td>-1,788</td>
<td>Tax Rate: 35 - 40%, w/o impact from potential tax reforms</td>
</tr>
<tr>
<td><strong>Income C/O</strong></td>
<td>5,636</td>
<td>1,498</td>
<td></td>
</tr>
<tr>
<td><strong>Discontinued Operations</strong></td>
<td>1,062</td>
<td>-19</td>
<td>Immaterial impact</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>6,697</td>
<td>1,479</td>
<td></td>
</tr>
</tbody>
</table>
Updated assumptions for fiscal 2022

Severance
• ~€250m in FY 2022 including effects related to wind-down of Russia

Foreign Exchange
• ~400 – 500 bps on topline, marginal impact on profit margin expected, based on current rates

Portfolio
• Execution of portfolio optimization strategy to contribute to net income with €2.2bn
### Net debt bridge

**Q3 FY 2022**

<table>
<thead>
<tr>
<th>€bn</th>
<th>Net Debt Q2 2022</th>
<th>Cash flows from operating activities (w/o Δ OWC)</th>
<th>Δ OWC</th>
<th>Cash flows from investing activities</th>
<th>Financing and other topics</th>
<th>Net Debt Q3 2022</th>
<th>Net Debt adjustments</th>
<th>Ind. Net Debt/EBITDA (c/o)</th>
</tr>
</thead>
<tbody>
<tr>
<td>40.2</td>
<td>40.2</td>
<td>2.8</td>
<td>0.0</td>
<td>-0.1</td>
<td>-1.3</td>
<td>38.9</td>
<td>25.8</td>
<td>13.0</td>
</tr>
</tbody>
</table>

### Operating Activities

therein:
- Δ Inventories: -0.4
- Δ Trade and other receivables: -0.1
- Δ Trade payables: +0.2
- Δ Contract Assets/Liabilities: +0.3

therein:
- Δ Inventories: -0.4
- Δ Trade and other receivables: -0.1
- Δ Trade payables: +0.2
- Δ Contract Assets/Liabilities: +0.3

therein:
- Δ Inventories: -0.4
- Δ Trade and other receivables: -0.1
- Δ Trade payables: +0.2
- Δ Contract Assets/Liabilities: +0.3

### Net Debt Adjustments

- SFS debt: +28.5
- Post emp. benefits: -1.9
- Credit guarantees: -0.8

### Ind. Net Debt/EBITDA (c/o)

1.6x (Q2 FY22: 1.6x)

---

1. Sum Cash & cash equivalents of €10.6bn incl. current interest bearing debt securities of €1.1bn
2. Sum Cash & cash equivalents of €11.3bn incl. current interest bearing debt securities of €1.2bn
Siemens with sound re-financing profile
Long-term funding secured at attractive rates & deleveraging: €2bn debt reduction in Q3

Total loan and bond debt of €43bn\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Loan and bond maturity profile as of June 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2022</td>
<td>5.3</td>
</tr>
<tr>
<td>FY 2023</td>
<td>6.1</td>
</tr>
<tr>
<td>FY 2024</td>
<td>3.8</td>
</tr>
<tr>
<td>FY 2025</td>
<td>5.4</td>
</tr>
<tr>
<td>FY 2026</td>
<td>4.1</td>
</tr>
<tr>
<td>FY 2027</td>
<td>3.0</td>
</tr>
<tr>
<td>FY 2028</td>
<td>2.0</td>
</tr>
<tr>
<td>FY 2029</td>
<td>1.8</td>
</tr>
<tr>
<td>FY 2030</td>
<td>2.5</td>
</tr>
<tr>
<td>FY 2031</td>
<td>0.8</td>
</tr>
<tr>
<td>FY 2032</td>
<td>1.0</td>
</tr>
<tr>
<td>FY 2033</td>
<td>0.8</td>
</tr>
<tr>
<td>FY 2034</td>
<td>0.8</td>
</tr>
<tr>
<td>FY 2035</td>
<td>0.8</td>
</tr>
<tr>
<td>FY 2036</td>
<td>1.4</td>
</tr>
<tr>
<td>FY 2037</td>
<td>1.4</td>
</tr>
<tr>
<td>FY 2038</td>
<td>1.0</td>
</tr>
<tr>
<td>FY 2039</td>
<td>1.7</td>
</tr>
<tr>
<td>FY 2040</td>
<td>1.0</td>
</tr>
<tr>
<td>FY 2041</td>
<td>1.4</td>
</tr>
<tr>
<td>FY 2042</td>
<td>0.8</td>
</tr>
<tr>
<td>FY 2043</td>
<td>0.8</td>
</tr>
<tr>
<td>FY 2044</td>
<td>1.4</td>
</tr>
<tr>
<td>FY 2045</td>
<td>0.8</td>
</tr>
<tr>
<td>FY 2046</td>
<td>1.0</td>
</tr>
<tr>
<td>FY 2047</td>
<td>1.4</td>
</tr>
</tbody>
</table>

1) Nominal Amount
ROCE and capital structure
SE impairment clearly visible

Capital efficiency
ROCE¹)

13.2% 21.2% 14.0% 12.4% 16.4% 11.1% 10.2%

FY 21: 15.2%

Capital structure
Industrial net debt/EBITDA

1.9x 1.5x 1.4x 1.6x 1.2x

Target Up to 1.5x

• Material net income impact from Siemens Energy impairment
• Continued focus on profitable growth and effective cost and working capital management
• Pension deficit further reduced to €1.9bn
• Excellent position for refinancing due to strong investment grade rating (A+/A1)
• Further improvement in Q4 FY 2022 expected

1 excluding defined acquisition-related effects for Varian
Provisions for pensions on new historic low, however some negative effects from inflation to be reflected at FY end with actuarial assessments

<table>
<thead>
<tr>
<th>in €bn¹</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>Q1 FY 2021</th>
<th>Q2 FY 2021</th>
<th>Q3 FY 2021</th>
<th>Q4 FY 2021</th>
<th>Q1 FY 2022</th>
<th>Q2 FY 2022</th>
<th>Q3 FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit obligation (DBO)²</td>
<td>-40.3</td>
<td>-35.8</td>
<td>-37.1</td>
<td>-35.6</td>
<td>-35.9</td>
<td>-35.5</td>
<td>-35.7</td>
<td>-32.7</td>
<td>-28.5</td>
</tr>
<tr>
<td>Fair value of plan assets²</td>
<td>31.3</td>
<td>30.0</td>
<td>32.5</td>
<td>32.7</td>
<td>33.6</td>
<td>33.5</td>
<td>34.0</td>
<td>31.2</td>
<td>27.4</td>
</tr>
<tr>
<td>Provisions for pensions and similar obligations</td>
<td>-9.9</td>
<td>-6.4</td>
<td>-5.0</td>
<td>-3.3</td>
<td>-2.9</td>
<td>-2.8</td>
<td>-2.9</td>
<td>-2.2</td>
<td>-1.9</td>
</tr>
<tr>
<td>Discount rate</td>
<td>1.3%</td>
<td>1.1%</td>
<td>0.7%</td>
<td>1.2%</td>
<td>1.1%</td>
<td>1.3%</td>
<td>1.2%</td>
<td>2.0%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Interest income</td>
<td>0.6</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>3.2</td>
<td>0.1</td>
<td>1.7</td>
<td>-0.3</td>
<td>1.1</td>
<td>0.0</td>
<td>0.3</td>
<td>-1.8</td>
<td>-3.6</td>
</tr>
</tbody>
</table>

1 All figures are reported on a continuing basis (w/o LHfS – Yunex/ Parcel/ SGS)
2 Difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q3 2022: +€0.7bn); DBO including other post-employment benefit plans (OPEB) of -€0.3bn
### Profit Bridge from SHS disclosure to SAG disclosure

Different profit definitions at SHS and SAG to be considered in models

<table>
<thead>
<tr>
<th>€m</th>
<th>Q3 FY 22</th>
<th>9M FY 22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SHS EBIT (adjusted)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPA (SHS logic)¹</td>
<td>-148</td>
<td>-509</td>
</tr>
<tr>
<td>Transaction, Integration, Retention, carve-out cost</td>
<td>-8</td>
<td>-33</td>
</tr>
<tr>
<td>Gains and losses from divestments</td>
<td>-1</td>
<td>-1</td>
</tr>
<tr>
<td>Severance</td>
<td>-14</td>
<td>-54</td>
</tr>
<tr>
<td><strong>SHS EBIT (as reported)</strong></td>
<td>595</td>
<td>2,047</td>
</tr>
<tr>
<td>PPA (SAG logic)²</td>
<td>+123</td>
<td>+347</td>
</tr>
<tr>
<td>Consolidation / Accounting Differences</td>
<td>-3</td>
<td>+6</td>
</tr>
<tr>
<td><strong>SAG Profit (as reported)</strong></td>
<td>715</td>
<td>2,400</td>
</tr>
<tr>
<td>Severance</td>
<td>+14</td>
<td>+54</td>
</tr>
<tr>
<td><strong>SAG Profit (excl. severance)</strong></td>
<td>728</td>
<td>2,454</td>
</tr>
</tbody>
</table>

1 PPA on intangible assets as well as other effects from IFRS 3 PPA adjustments
2 PPA on intangible assets
Outlook FY2022 confirmed

Comparable revenue growth\(^1,2\)

<table>
<thead>
<tr>
<th>As of Nov 2021</th>
<th>As of May 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 2%</td>
<td>5.5 to 7.5%</td>
</tr>
</tbody>
</table>

- Imaging growth at 5 to 7% (before: 6 to 8%\(^3\))
- Diagnostics growth at mid-single digits,
  rapid antigen revenue assumed at ~€1,500m in FY22 (before: ~€1,300m\(^3\))
- Varian revenue\(^4\) at €2.9 to €3.1bn in FY22, growth at low teens, contributing to
  comparable growth in H2 only
- Advanced Therapies growth at 5 to 8%

Adj. basic earnings per share\(^2\)

<table>
<thead>
<tr>
<th>As of Nov 2021</th>
<th>As of May 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>€2.08 to €2.20</td>
<td>€2.25 to €2.35</td>
</tr>
</tbody>
</table>

- Imaging margin at 20 to 21% (before: 21 to 22%\(^3\))
- Diagnostics margin at low to mid-teens
- Varian margin at 14 to 15% (before: 15 to 17%\(^3\))
- Advanced Therapies margin at 11 to 13% (before: 14 to 17%\(^3\))
- Financial income, net at €-110 to €-130m (before: €-50m to €-70m\(^3\))
- Tax rate at 27% to 29%

---

1 Year-over-year on a comparable basis, excluding currency translation and portfolio effects as well as effects in line with revaluation of contract liabilities from IFRS 3 purchase price allocations
2 The outlook is based on current foreign exchange rate assumptions, on the current portfolio, and on further assumptions, see Quarterly Statement Q3 FY2022
3 As of May 2022
4 Adjusted for effects in line with revaluation of contract liabilities from IFRS 3 PPA
Siemens Financial Framework
Targets over 3 – 5 year cycle

Siemens
- Revenue comparable growth: 5–7%
- High single-digit growth
- Earnings EPS pre PPA
- Capital efficiency ROCE: 15–20%
- Capital structure Industrial net debt/EBITDA: up to 1.5x
- 1 – comp. revenue growth rate
- Cash conversion rate (all in)
- Progressive dividend policy
- Dividend

Businesses

<table>
<thead>
<tr>
<th>Businesses</th>
<th>Digital Industries</th>
<th>Smart Infrastructure</th>
<th>Mobility</th>
<th>Siemens Healthineers</th>
<th>Financial Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit margin range³</td>
<td>17–23%</td>
<td>11–16%</td>
<td>10–13%</td>
<td>17–21%</td>
<td>RoE⁴ 15–20%</td>
</tr>
<tr>
<td>Cash conversion rate</td>
<td>1 – comp. revenue growth rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resilience KPI</td>
<td>ARR</td>
<td>Service</td>
<td>Service</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Excluding Varian-related M&A effects  
2 Cash conversion rate: FCF/Net income  
3 “Profit” represents EBITA adjusted for amortization of intangible assets not acquired in business combinations; margin range for Siemens Healthineers reflects Siemens’ expectation  
4 Return on equity after tax