

# Continued profitable growth and excellent free cash flow

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## Q3 Business highlights

Continued profitable growth and excellent free cash flow

### Strong topline

- **Clear revenue growth:** DI, SI and Mobility all up double-digit
- **Competitive strength:** DI Automation revenue up 15%, SI Electrification up 22%
- **SI robust demand, Mobility large orders, while DI normalizing:** Book-to-bill 1.28

### Stringent execution

- **Strong conversion:** Industrial Business profit at €2.8bn
- **Excellent free cash flow:** €3.1bn for Industrial Business, CCR of 1.14
- **SaaS-transition fully on track:** ARR up 14%, Cloud ARR now close to €1bn

### Consistent strategy

- **Leverage opportunities:** Secular trends and major investment programs
- **Strategic investments of €2bn:** Boost future growth, innovation & resilience
- **Portfolio optimization:** Innomotics brand launch, SE-stake lowered to 25.1%

## Q3 Key Financials

### Orders

€24.2bn  
+15%

### Revenue

€18.9bn  
+10%

### IB Profit margin

15.3%

### EPS pre PPA

€2.60  
ex SE invest  
€1.78  
as reported

### Free cash flow

€3.0bn

### Indust. Net debt/EBITDA

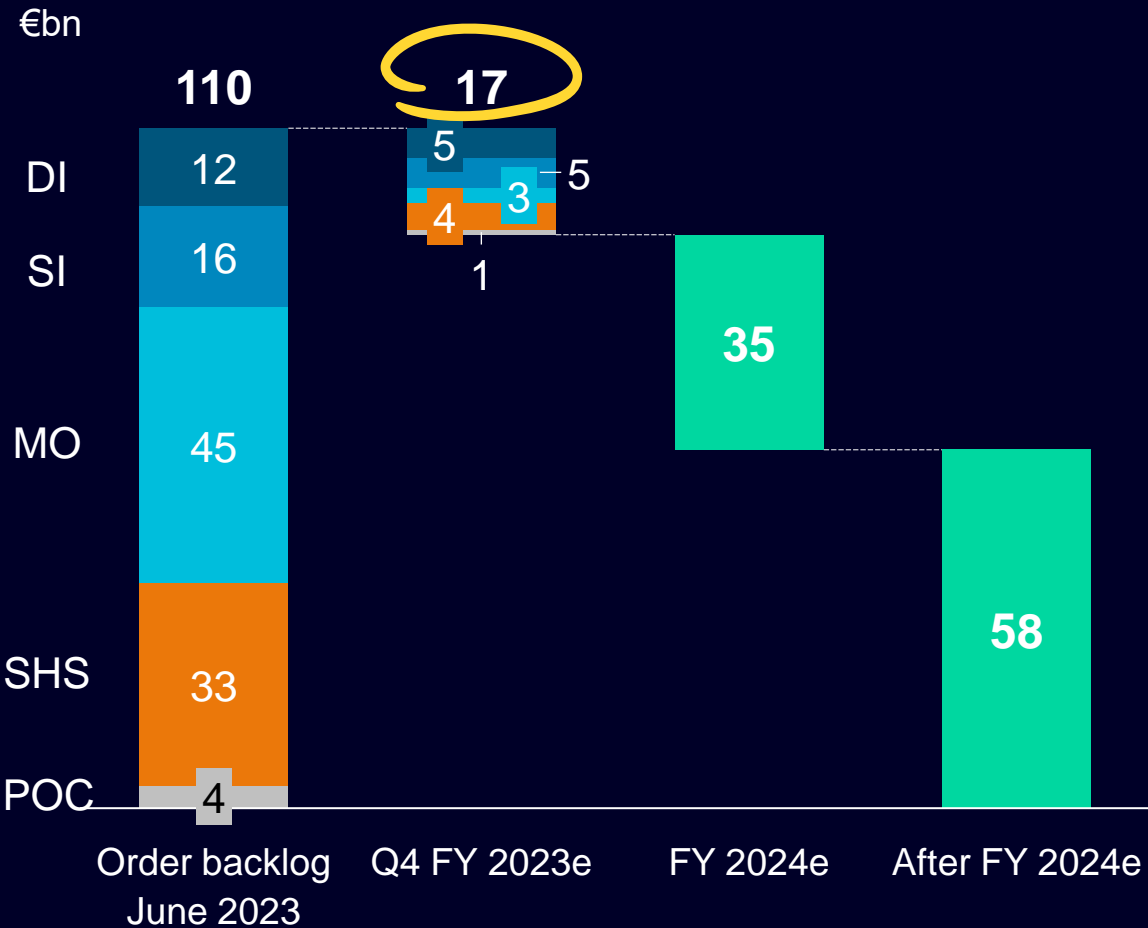
0.8x

Note: Orders and Revenue growth comparable

# Further growing order backlog at all-time high

## Stringent execution to leverage normalizing supply chains

### Expected revenue generation from backlog



### Proven execution strength

- Strong commercial activity in systems, solution and service business
- Supply chains mostly back to normal
- Healthier lead times for product businesses in DI and SI
- DI order normalization, continuing destocking
- Mobility backlog rising on record orders

# Secular trends drive material investments in automation, digitalization and sustainability

## Implementation speed is decisive


### Labor shortage



#### Labor force reduction (2022 – 2040)

Source: S&P 2023

 -81 million

 -7 million

 -1.3 million

### Glocalization



Inflation Reduction Act



Chips & Science Act



Made in China 2025



Make in India



European Green Deal



European Chips Act

### Resource scarcity



#### Circular economy

30% of global greenhouse gas emissions in industry

37% of energy consumption

## Sufficient transformation speed only through Automation & Digitalization



# Targeted investment strategy of ~€2bn to boost future growth, innovation and resilience

## Expanding global high-tech manufacturing, innovation labs and education centers

### Capacity expansion in Asia

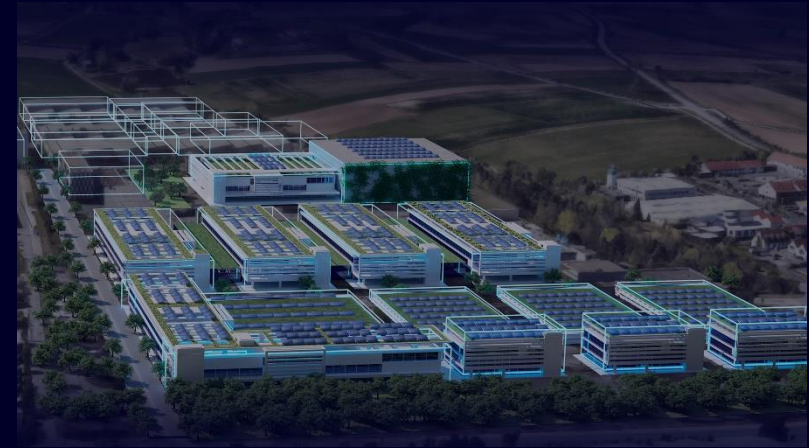


- New **high-tech factory** for DI Factory Automation in **Singapore**
- **Start of production** in H2 2025
- Growing demand in Southeast Asia
- **~€200m investment**, highly automated and digitalized
- **~400 jobs**



- **Expansion of twin factory** in **Chengdu** by **40% capacity** and new digital innovation center in **Shenzhen**
- **Local for local** growth opportunities
- Chinese customers as **early adopters** for new technologies
- **~€140m investment, 400 jobs**

### Germany - Blueprint for industrial metaverse



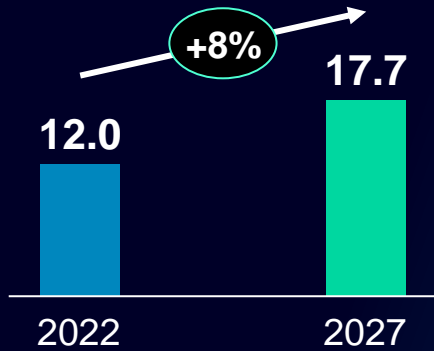
- **New net-zero emission Technology Campus** in **Erlangen**
- **Nucleus** of digital technologies in the **industrial metaverse** to revolutionize production – **more efficiently, flexibly, sustainably**
- **~€500m investment** in expansion of **development** and **manufacturing** capacities, step-wise approach until 2027 & 2029
- **Conversion of existing site** for **power electronics components** and **machine tool controls**
- **Strong ecosystem of partners and universities**

# Winning in data centers through a tailored vertical approach

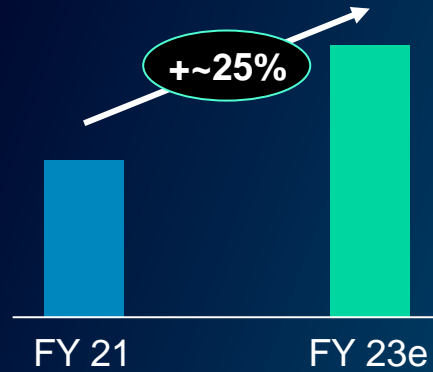
## Accelerating use of AI applications drives data center investment

### Gaining market share in an attractive market ...

Addressable market  
in €bn



CAGR Revenue (comparable)  
Data center vertical



### Siemens value proposition

- Holistic standards and customized offering for automation & electrification
- Lifecycle approach incl. services
- Financing solutions
- Global key account management and centers of competence



### ... by matching customer requirements

Key decision criteria for data center customers

- Highest reliability and best quality
- Short construction cycles
- SLA compliance
- Cost optimization, e. g. energy supply and efficiency
- Sustainability impact



**Greenergy**  
Data Centers  
Tallinn, Estonia

Most sustainable data  
center in the Baltics



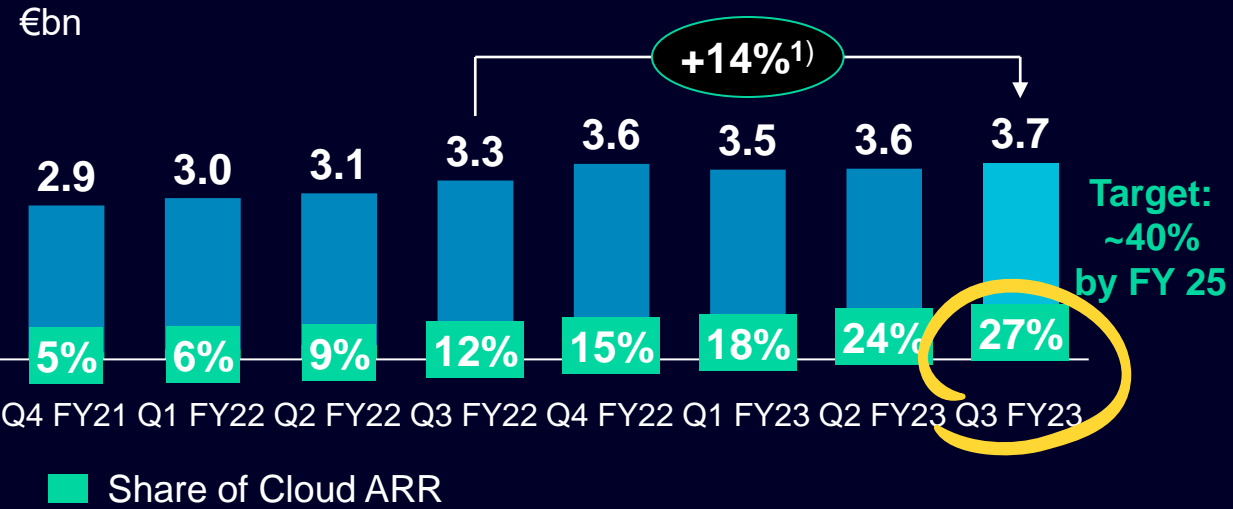




# Combining the real and digital worlds

## SaaS transition fully on track, Cloud ARR reaching almost €1bn

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



### Cloud ARR:

- Up >2.5x y-o-y to almost €1bn

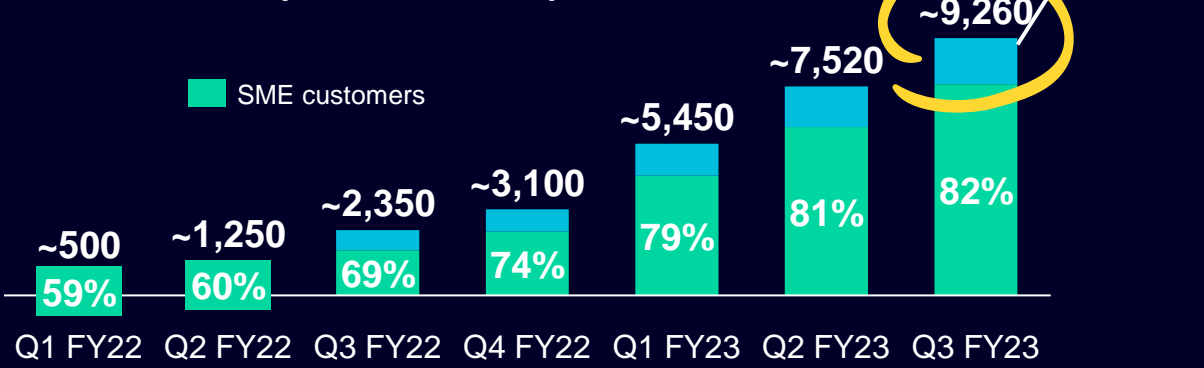
### Cloud invest:

- €215m in Q3 YTD FY23 | FY23: targeted invest ~€300m

1 ARR revenue: FX comparable

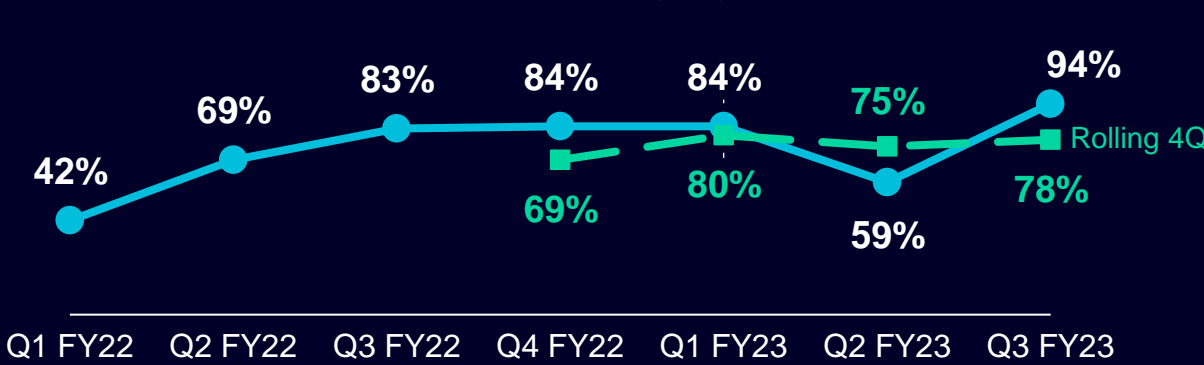
### SaaS transition gaining momentum

#### # Customers (accumulated):



### Customer transformation rate to SaaS:

Share of renewals based on total contract value (TCV)

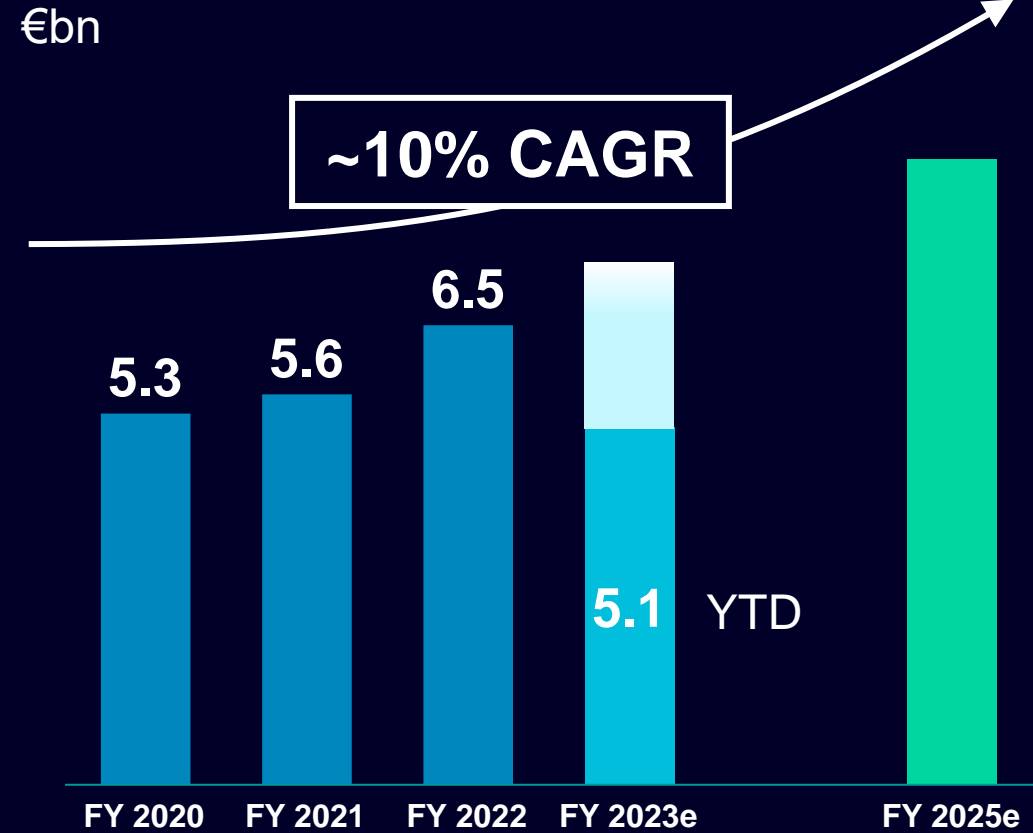




# Combining the real and digital worlds

## New offerings for Siemens Xcelerator portfolio delivering customer value

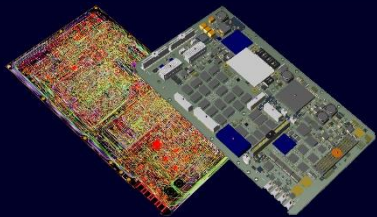
### Revenue Digital Business<sup>1</sup>



<sup>1</sup> "Digital Business" means Siemens vertical specific software and IoT and Digital services from Smart Infrastructure, Digital Industries, Mobility, Siemens Advanta; unconsolidated values

### Innovative Siemens Xcelerator offerings

#### Digital Industries



- Integration of Supplyframe Design-to-Source Intelligence platform for global electronics in EDA offering
- **Real-time supply chain visibility** for digital twin

#### Smart Infrastructure



- **LV Insights X software** to actively manage low-voltage grids (SaaS)
- **Digital twin of LV grids** to reduce outage times, optimize workflows and increase capacity

#### Mobility



- Acquisition of **Optrail S.r.l** adding to future Xcelerator offerings
- Unique algorithms to expand **real-time Train Planning Systems** and boost efficiency of train operations



# Drive sustainability building on strong domain know-how and core technologies

## Close collaboration for superior customer value

### Pfizer (Pharma)



**40% less energy consumption**

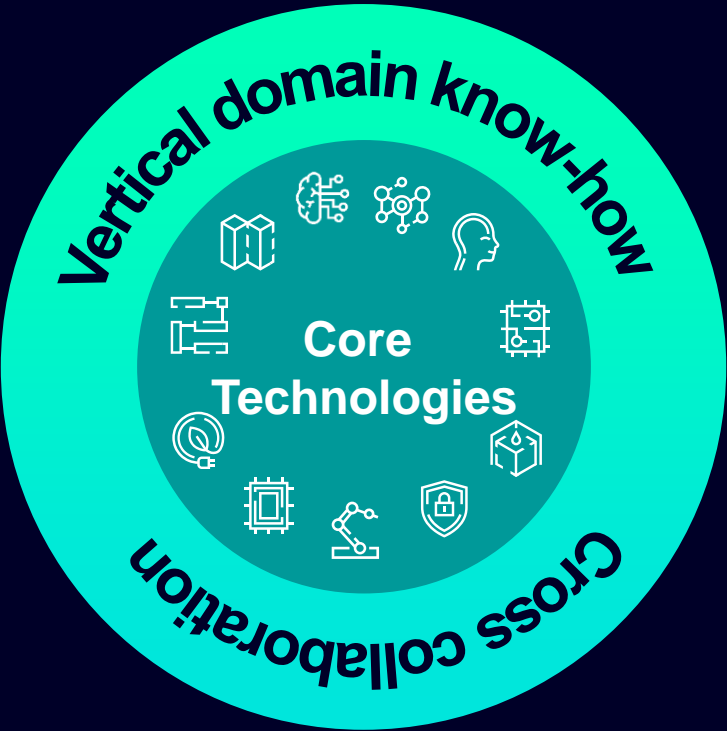
Energy efficient, digitally optimized high containment facility, connecting building and production management systems

### Transpennine Trains



**€0.5bn order  
51 trains**

Long-term maintenance for digitally upgraded train fleet using Railigent X to optimize availability & passenger experience



### Maeve (Aerospace)



**30% less operating costs**

Development of next generation all-electric, zero emissions commuter aircraft using Xcelerator design and simulation portfolio

### S-Bahn Munich

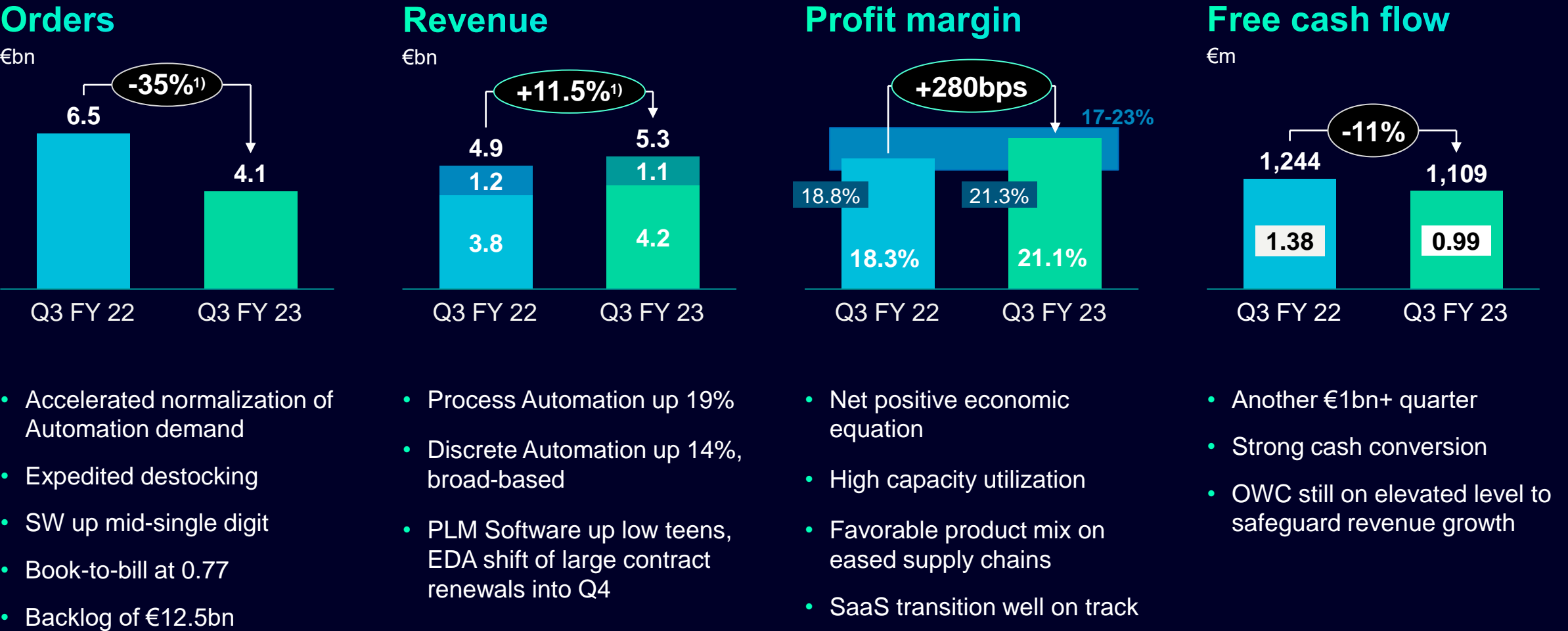


**€2.1bn order  
90 trains, >1,800 passengers each**

Optimized lifecycle cost through energy efficiency, fully connected and digitalized maintenance based on Railigent X

Digital Industries (DI)

Continued demand normalization on accelerated level, strong margin & cash conversion



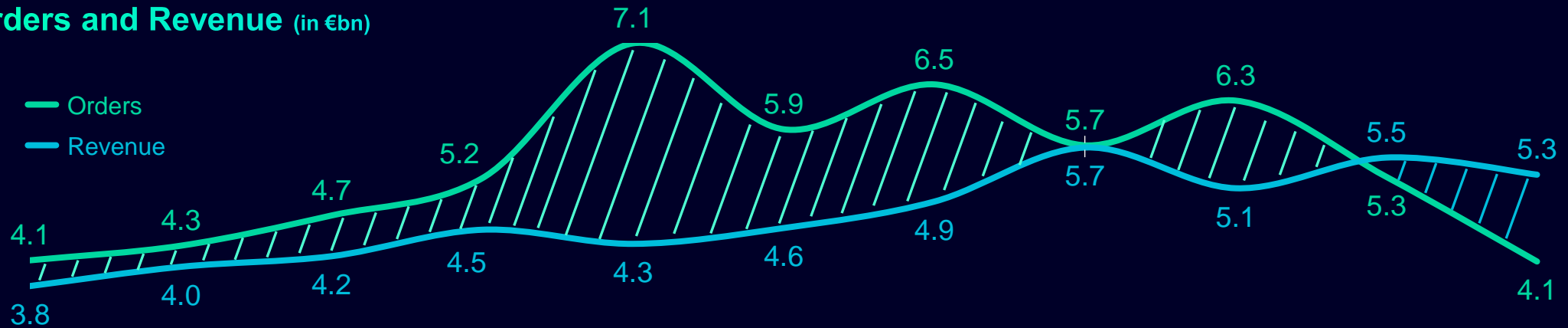
# Digital Industries – elevated short-cycle backlog normalizing to healthier levels

Driven by improved supply chains and softer macro expectations

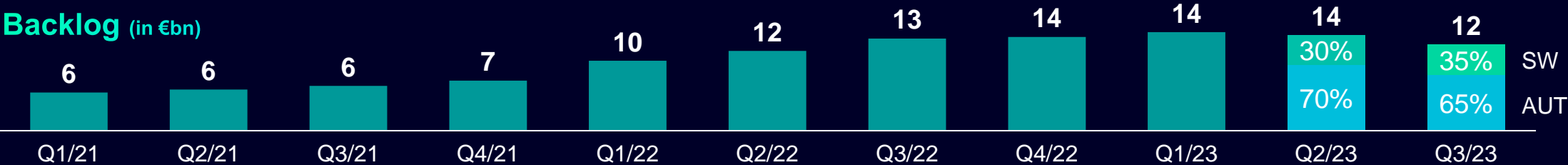
## Book-to-bill

1.09      1.07      1.13      1.16      1.64      1.30      1.33      1.00      1.24      0.95      0.77

## Orders and Revenue (in €bn)



## Backlog (in €bn)



Exceptional order momentum due to pre-ordering in short cycle business led to build up of record backlog

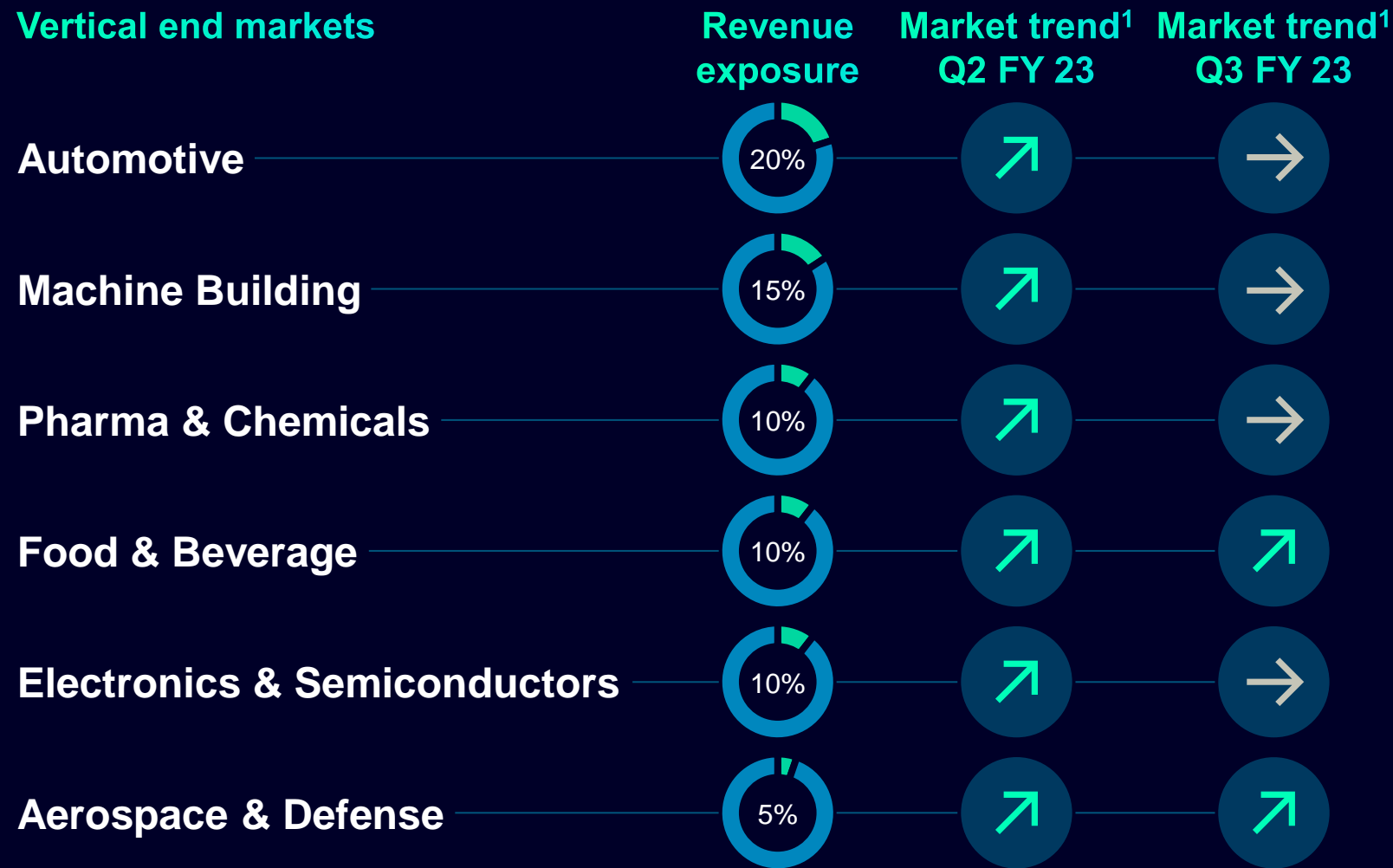
Consumption of backlog with normalizing order patterns on improved delivery times

Digital Industries (DI)  
Vertical end market trends

Moderation of growth momentum in key end markets on high levels

Pricing effects in end markets are fading

1 Y-o-Y industry revenue development for next 6 months based on industry production data from statistical office sources (e.g. NBoS, US Fed, Eurostat)





# Digital Industries (DI)

Accelerated  
normalization of  
demand & destocking

Backlog execution  
drives revenue growth

## Q3 FY 23 – Key regions Automation



China

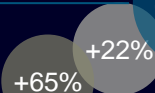
Q3 21 Q3 22



Topline with tough comps and impacted by macro headwinds and destocking



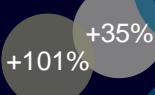
Germany



Orders normalizing on tough comps; Revenue growth driven by Discrete on substantial backlog conversion



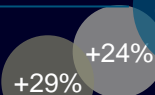
Italy



Orders down on strong PYQ; Revenue strength broad-based



U.S.

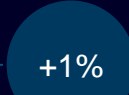


Orders normalizing; Process & Discrete revenue up double-digit

## Q3 FY 23 – Software



Global



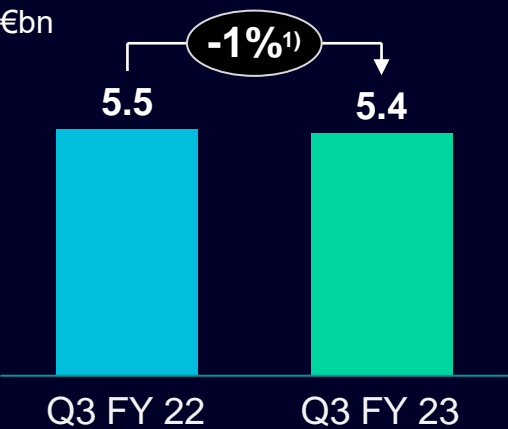
ARR up 14%, SaaS transition fully on track; EDA down on tough comps

Note: Growth rates Comparable, excl. FX and portfolio

# Smart Infrastructure (SI)

Excellent performance across all metrics, free cash flow an outstanding highlight

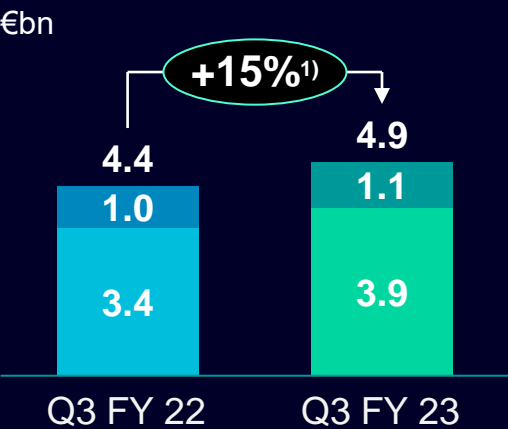
## Orders



- Book-to-bill at 1.09
- Electrification up 14%, Electrical Products down -11%, Buildings down -5%
- Large orders from data center, battery & power distribution
- Record backlog €16.5bn

1 Comparable, excl. FX and portfolio

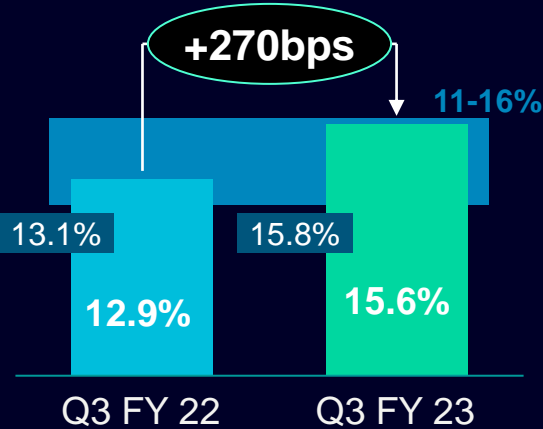
## Revenue



- Electrification with excellent growth of 22%, Electrical Products up 16%
- Buildings up 9% driven by solutions and services
- Service business up 13%

x.x      x.x      therein Service

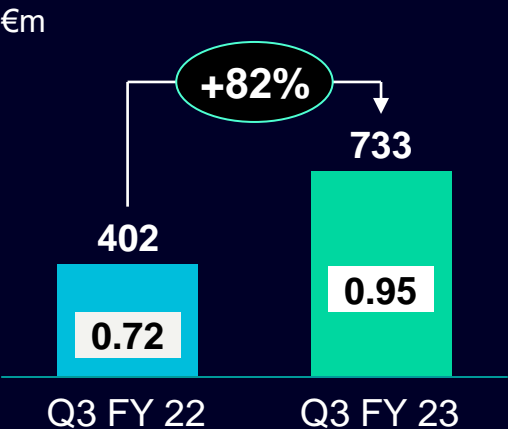
## Profit margin



- Net positive economic equation
- Increased capacity utilization on higher revenue
- Favorable revenue mix
- Cost reductions from competitiveness program

x.x%      Profit margin excl. severance

## Free cash flow



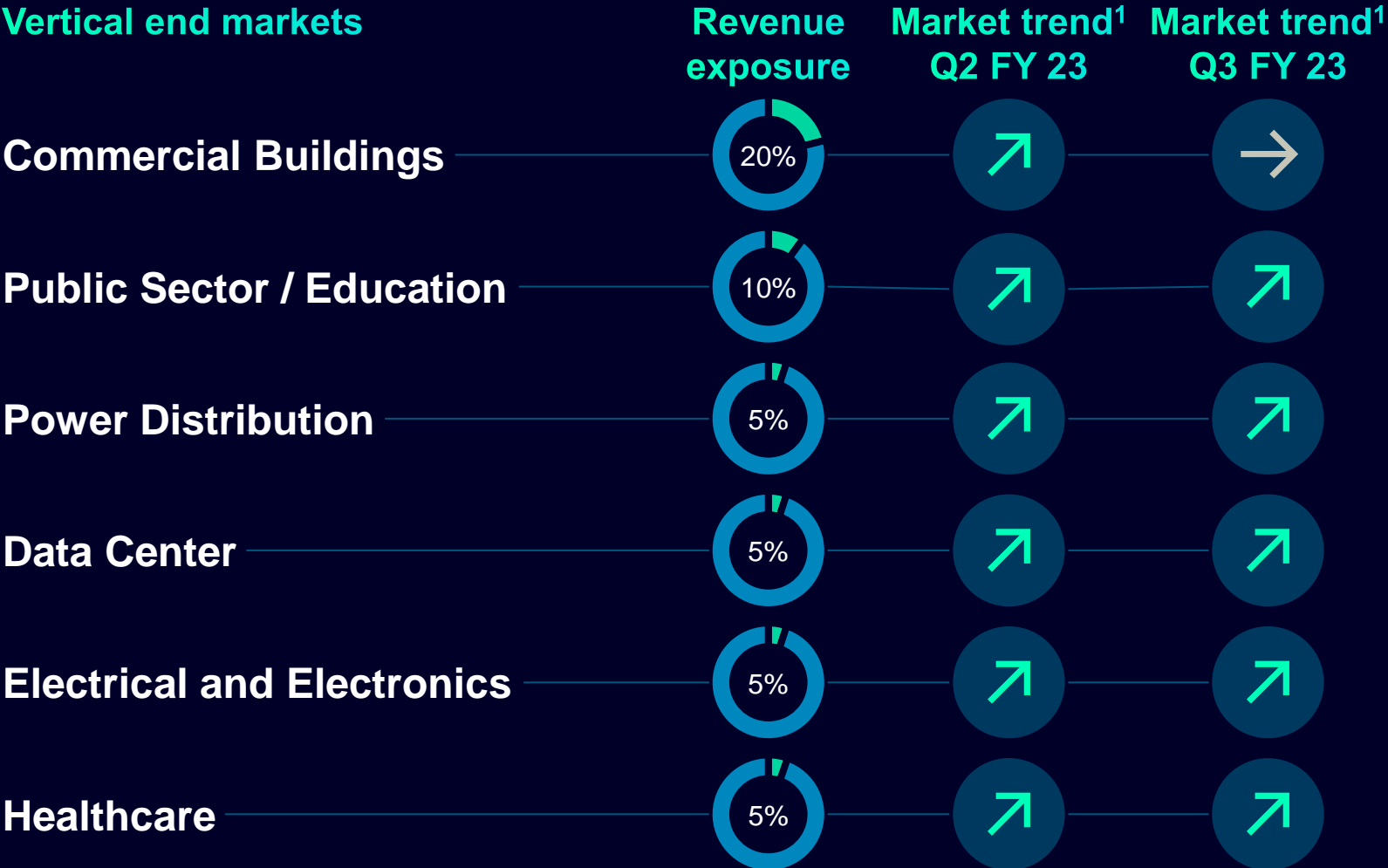
- Outstanding cash conversion
- Higher level of receivables driven by topline momentum; inventories stable

x.xx      Cash Conversion Rate

Smart Infrastructure (SI)  
Vertical end market trends

Key verticals continue  
to grow in real terms

Commercial Building  
end market with  
softening demand



<sup>1</sup> Trend next 3 – 4 quarters, Y-o-Y vertical market development,

# Smart Infrastructure (SI)

Order growth driven by large orders especially in U.S.

Revenue growth fueled by strong backlog execution in all regions

## Q3 FY 23 – Key regions



U.S.

+10%

+22%

Strong order momentum in data center & battery manufacturing; Electrification & Electrical Products (EP) drive revenue



Germany

-5%

+11%

Electrification orders balancing softer EP on tough comps; Broad based revenue growth



China

-13%

+10%

Slow economic recovery weighs on order momentum; Revenue up on easy comps



Europe  
excl. Germany

-13%

+10%

Lower level of large orders; Revenue strength in Electrification, Buildings and EP up mid-single digit

## Q3 FY 23 – Service



Global

+13%

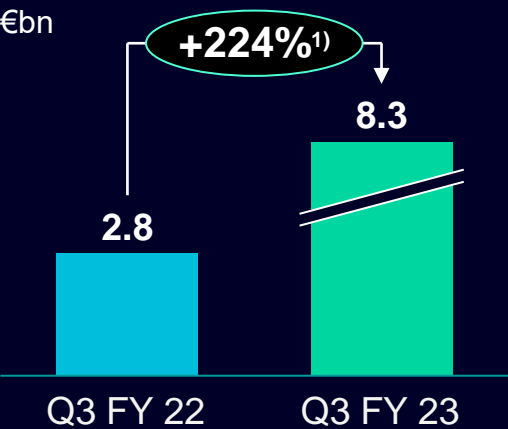
Double-digit growth in Asia and Americas

Note: Growth rates Comparable, excl. FX and portfolio

# Mobility (MO)

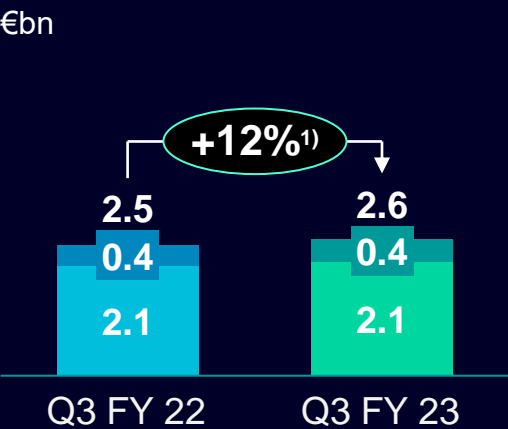
All-time-high orders, strong revenue growth and excellent free cash flow performance

## Orders



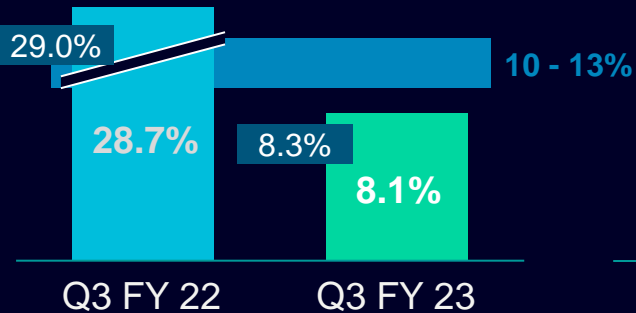
- Book-to-bill at 3.25
- Several major order wins, e.g. Egypt Green Line (€2.5bn)  
S-Bahn Munich (€2.1bn)  
U.S. Intercity Trains (€0.6bn)  
U.K. Service (€0.5bn)
- Backlog at €44.5bn, therein ~€12.5bn service

## Revenue



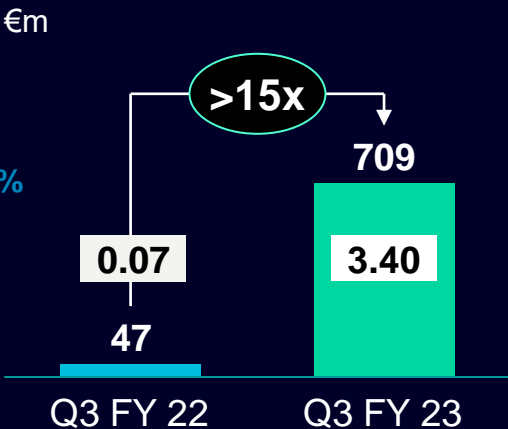
- Double-digit growth in Rolling Stock and Rail Infrastructure
- Rolling Stock with major contribution from large projects
- Service up 12%

## Profit margin



- Profitability improvement on higher revenue
- Prior year included one-off effects of €0.6bn, equaling 24.7ppts

## Free cash flow



- Major project milestone and advance payments
- Massive catch-up as expected

1 Comparable, excl. FX and portfolio

x.x x.x therein Service

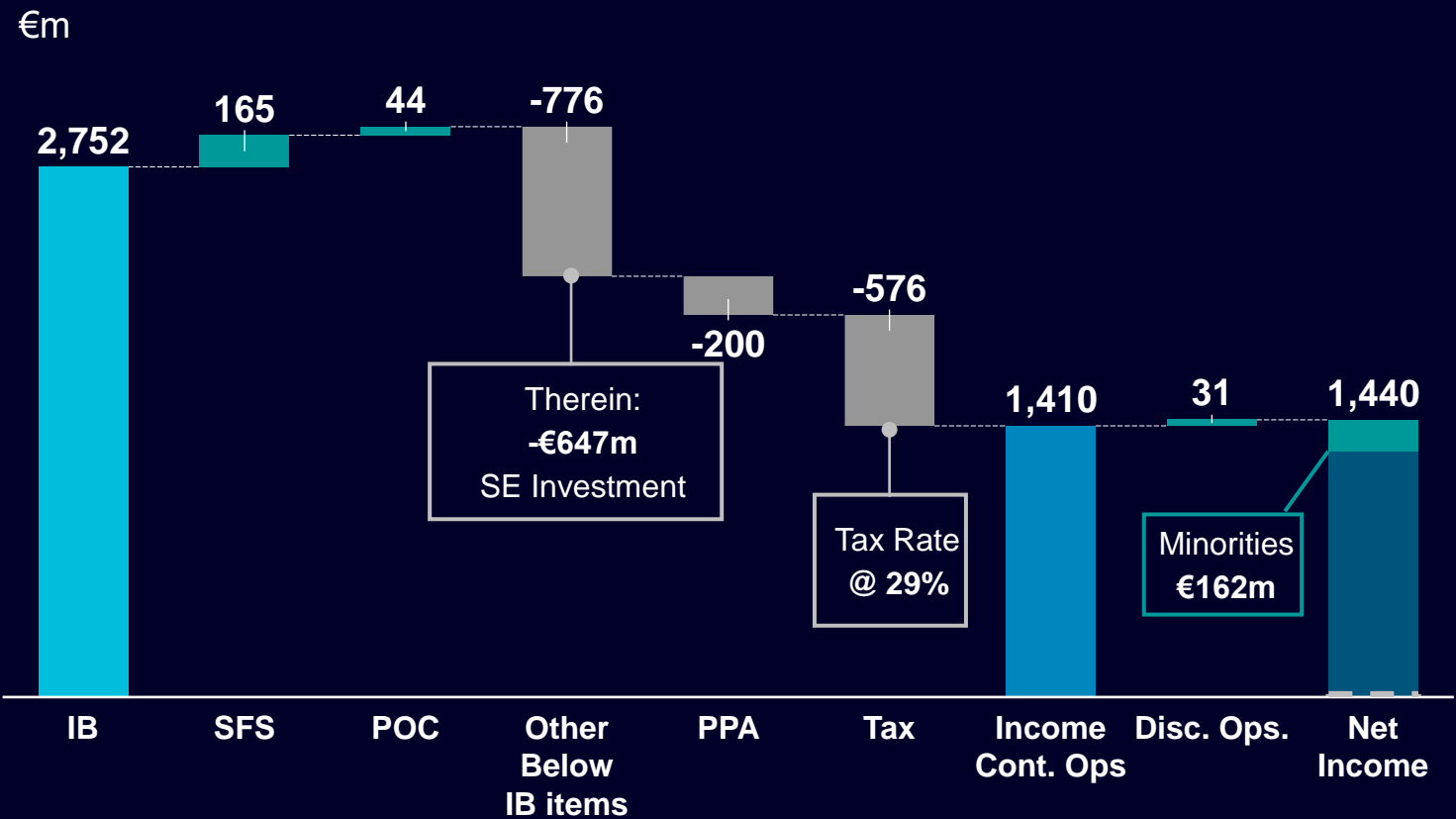
x.x% Profit margin excl. severance

x.xx Cash Conversion Rate

# Below Industrial Business

Strong operational performance, while impact from SE Investment weighs on net income

## Q3 FY 23



- **SFS:** Strong performance driven by Equity business
- **Portfolio Companies:** Solid profitability as expected
- **Other Below IB items:** SE Investment loss from at-equity participation
- **Net Income:** Reflecting very strong operational performance without SE Investment effects

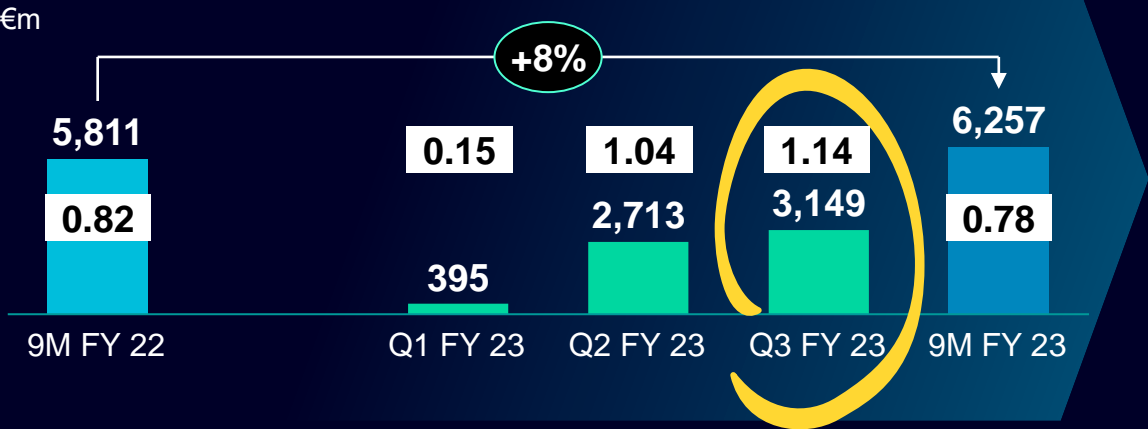
Note: Other Below IB items contains SE Investment; SRE; Innovation; Governance; Pensions; Financing, Elimination, Other  
Detailed split see page 26



# Free cash flow

Outstanding cash performance highlighting excellent quality of business

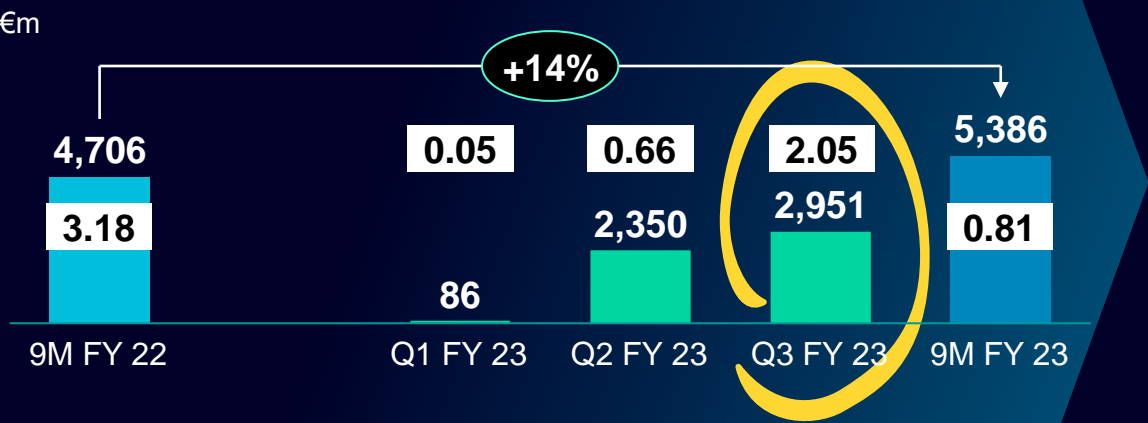
## Free cash flow Industrial Business



## Stringent working capital management

- Strong profit development
- Increased operating working capital level safeguarding topline growth

## Free cash flow



## Extraordinary effects below IB

- Impressive “all-in” cash performance
- Excluding non-cash effects of SE Investment CCR at 1.41 in Q3

x.x Cash Conversion Rate

## Capital structure with further improvement

Continuing strong operational and cash performance reflected in rating upgrade

### Capital structure

Industrial net debt/  
EBITDA



### Financial strength

- Consistent cash generation
- **Excellent position** with strong investment grade rating and recent upgrade from Moody's:  
**Moody's Aa3**, S&P A+
- Pension deficit on historic low of €1.7bn
- Contribution of 6.8% stake in **Siemens Energy AG** to Siemens pension trust offset by inflation related adjustments

## Updated Outlook FY 2023

Confirmed on group level excluding Siemens Energy Investment

### Siemens Group

**Book-to-bill**

**>1**

**Revenue growth  
(Comparable)**

**9 – 11%**

**EPS pre PPA<sup>1)</sup>**

**€9.60 – €9.90**

### Siemens Businesses

**Comparable  
revenue growth**

**Profit margin**

**Digital Industries**

**13 – 15%**  
[17 – 20%]

**22 – 23%**  
[22.5 – 23.5%]

**Smart Infrastructure**

**14 – 16%**

**14.5 – 15.5%**

**Mobility**

**10 – 12%**

**8 – 10%**

This outlook excludes burdens from legal and regulatory matters.

<sup>1</sup> Excluding Siemens Energy Investment, which during the first nine months of fiscal 2023 contributed €902 million to Net income and corresponding EPS pre PPA of €1.14

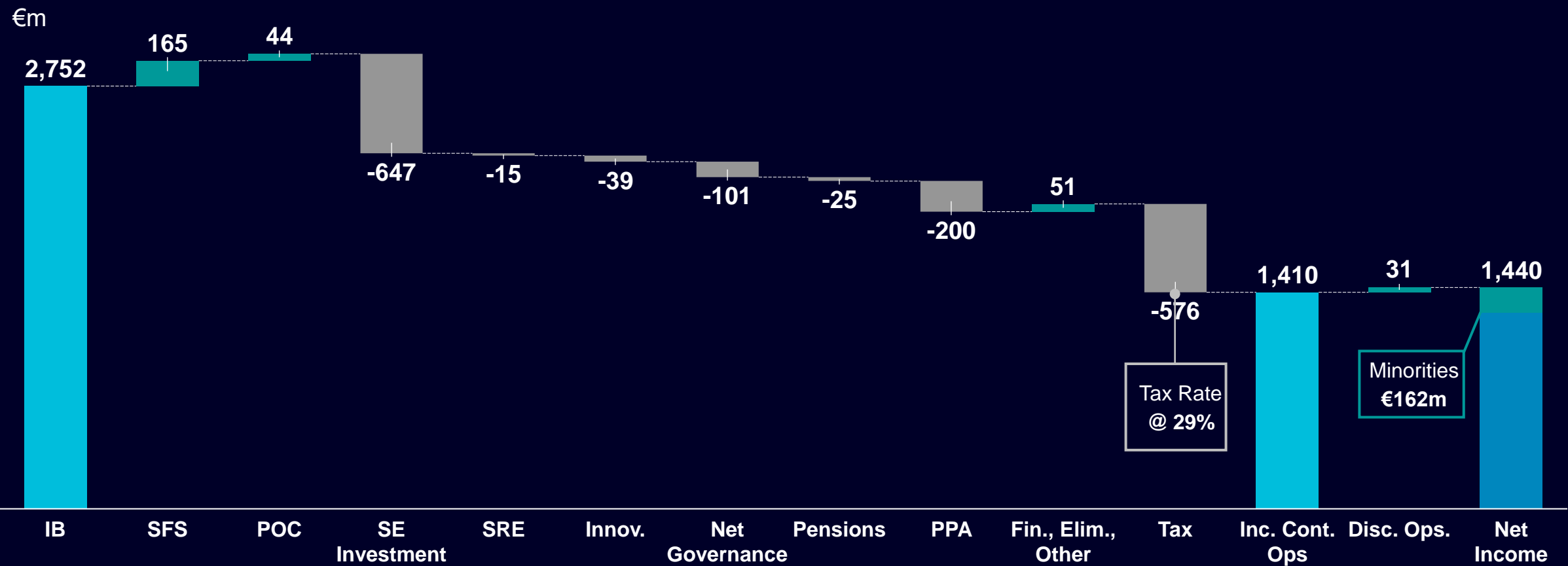
# Questions and Answers

# Appendix

# Below Industrial Business

Strong operational performance, negative effects from SE Investment weigh on net income

## Q3 FY 23



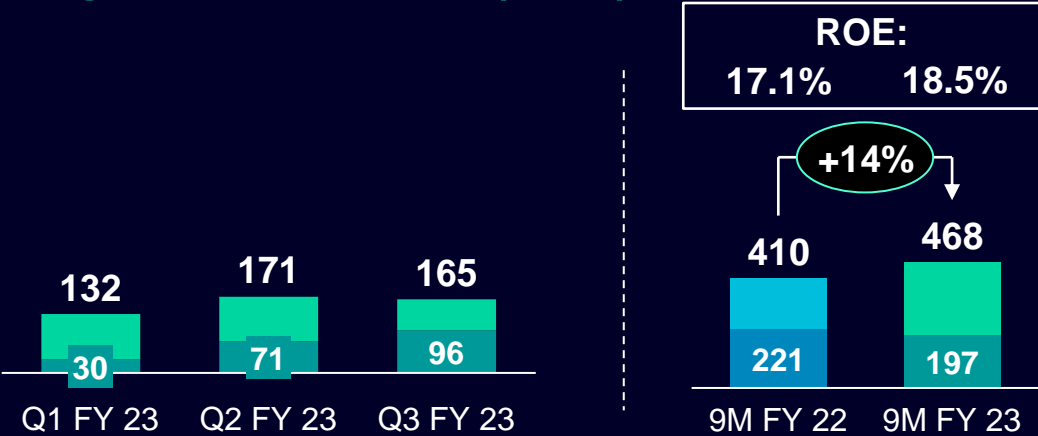


# Siemens Financial Services (SFS)

## Solid FY 23 YTD performance despite continuing volatile credit environment

### Earnings before Taxes (EBT)

€m

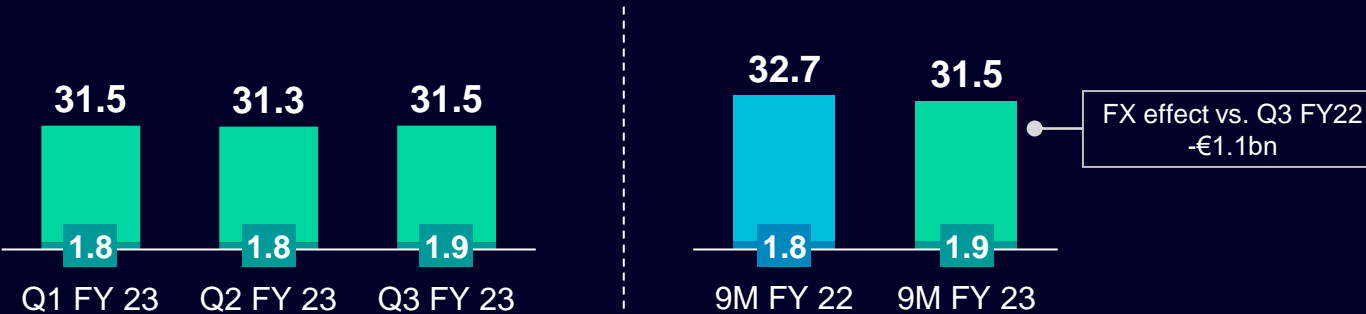


### Q3 developments

- Equity Business with strong result including **material gain on sales** of investments
- Debt Business** strongly influenced by the volatile credit environment

### Total Assets

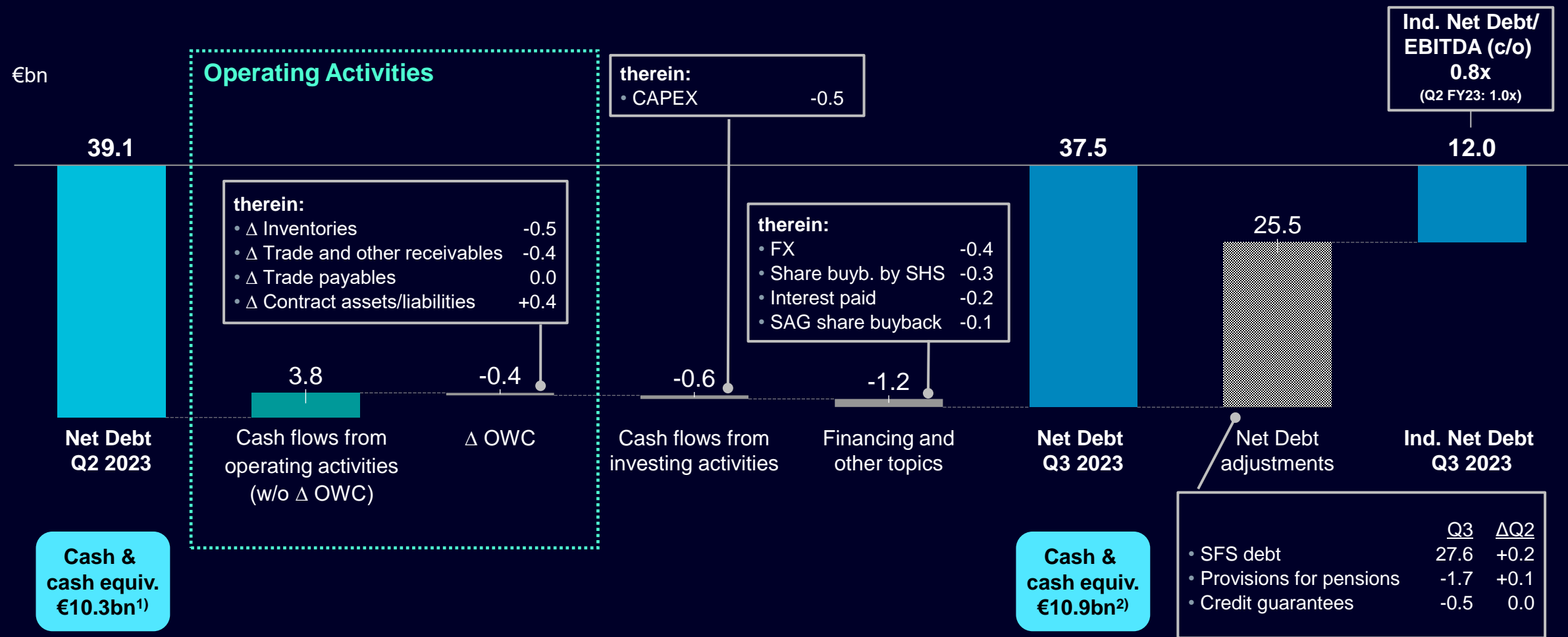
€bn



- Decrease in total assets** primarily driven by **currency effects**

# Net Debt bridge

## Capital structure with further improvement; Moody's rating upgrade to Aa3



1 Sum Cash & cash equivalents of €10.3bn incl. current interest bearing debt securities of €1.1bn

2 Sum Cash & cash equivalents of €10.9bn incl. current interest bearing debt securities of €1.1bn

## Provisions for pensions on new historic low

In Germany: positive impact from extraordinary funding offset by inflation-related adjustments

| in €bn <sup>1</sup>                             | FY 2020 | FY 2021 | Q1 FY 2022 | Q2 FY 2022 | Q3 FY 2022 | Q4 FY 2022 | Q1 FY 2023 | Q2 FY 2023 | Q3 FY 2023 |
|---|---------|---------|------------|------------|------------|------------|------------|------------|------------|
| Defined benefit obligation (DBO) <sup>2</sup>   | -35.8   | -35.5   | -35.7      | -32.7      | -28.5      | -27.8      | -27.2      | -27.3      | -28.1      |
| Fair value of plan assets <sup>2</sup>          | 30.0    | 33.5    | 34.0       | 31.2       | 27.4       | 25.9       | 25.7       | 25.9       | 26.7       |
| Provisions for pensions and similar obligations | -6.4    | -2.8    | -2.9       | -2.2       | -1.9       | -2.3       | -1.8       | -1.8       | -1.7       |
| Discount rate                                   | 1.1%    | 1.3%    | 1.2%       | 2.0%       | 3.2%       | 3.9%       | 3.9%       | 3.8%       | 3.8%       |
| Interest income                                 | 0.3     | 0.3     | 0.1        | 0.1        | 0.1        | 0.1        | 0.2        | 0.2        | 0.2        |
| Actual return on plan assets                    | 0.4     | 2.5     | 0.3        | -1.8       | -3.6       | -1.7       | 0.4        | 0.7        | 0.1        |

<sup>1</sup> All figures are reported on a continuing basis (w/o LHfS)

<sup>2</sup> Fair value of plan assets including effects from asset ceiling (Q3 2023: -€0.6bn); Difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q3 2023: €0.3bn); 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

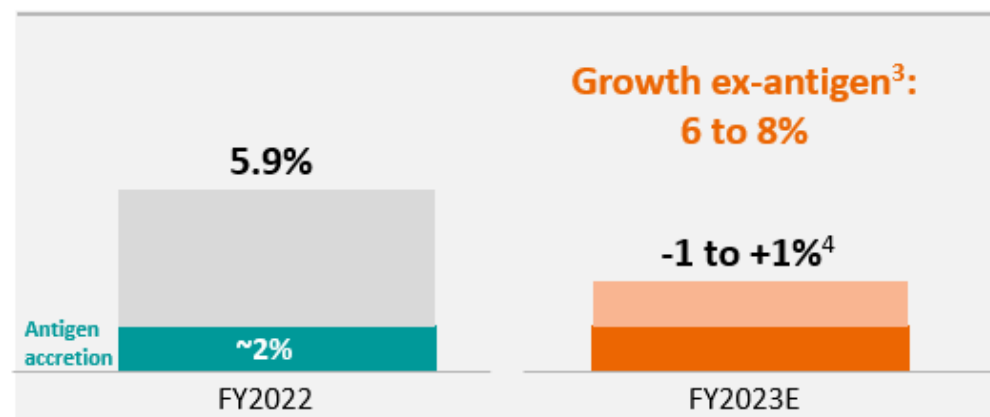
| €m  | Q3 FY 23   |              | 9M FY 23     |              |
|---|------------|--------------|--------------|--------------|
| <b>SHS EBIT (adjusted)</b>                          | <b>740</b> | <b>14.2%</b> | <b>2,068</b> | <b>13.2%</b> |
| PPA (SHS logic) <sup>1</sup>                        | -92        |              | -300         |              |
| Transaction, Integration, Retention, carve-out cost | -7         |              | -23          |              |
| Gains and losses from divestments                   | 0          |              | 0            |              |
| Severance   | -56        |              | -122         |              |
| Other portfolio-related measures                    | -17        |              | -347         |              |
| <b>SHS EBIT (as reported)</b>                       | <b>568</b> | <b>10.9%</b> | <b>1,277</b> | <b>8.2%</b>  |
| PPA (SAG logic) <sup>2</sup>                        | +89        |              | +288         |              |
| Consolidation / Accounting Differences              | -1         |              | +15          |              |
| <b>SAG Profit (as reported)</b>                     | <b>656</b> | <b>12.6%</b> | <b>1,580</b> | <b>10.1%</b> |
| Severance   | +56        |              | +122         |              |
| <b>SAG Profit (excl. severance)</b>                 | <b>712</b> | <b>13.7%</b> | <b>1,702</b> | <b>10.9%</b> |

<sup>1</sup> PPA on intangible assets as well as other effects from IFRS 3 PPA adjustments

<sup>2</sup> PPA on intangible assets

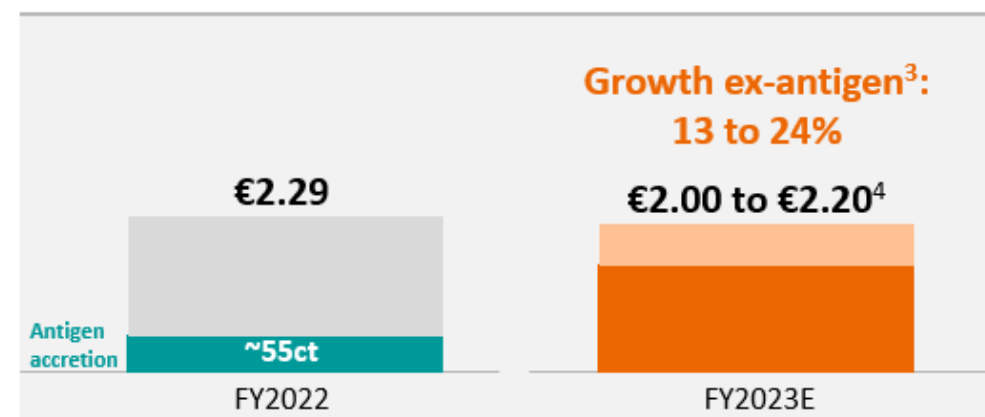
## Outlook FY2023 confirmed

### Comparable revenue growth<sup>1, 2</sup>



- **Imaging** growth at 7 to 9%
- **Diagnostics<sup>4</sup>** declining -26 to -23% incl. antigen; core growth -2 to +1%
- **Varian** growth at 9 to 12%
- **Advanced Therapies** growth at 6 to 9%

### Adj. basic earnings per share<sup>2</sup>



- **Imaging** margin at 21 to 22.5%
- **Diagnostics<sup>4</sup>** margin at -4 to 0% all-in; core margin -3 to +1%
- **Varian** margin at 14 to 15% (before: 16 to 18%)
- **Advanced Therapies** margin at 13 to 15%
- **Financial income, net** at €-175 to €-185m (before: €-150 to €-170m)
- **Tax rate** at 20 to 22% (before: 26 to 28%)

<sup>1</sup> 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

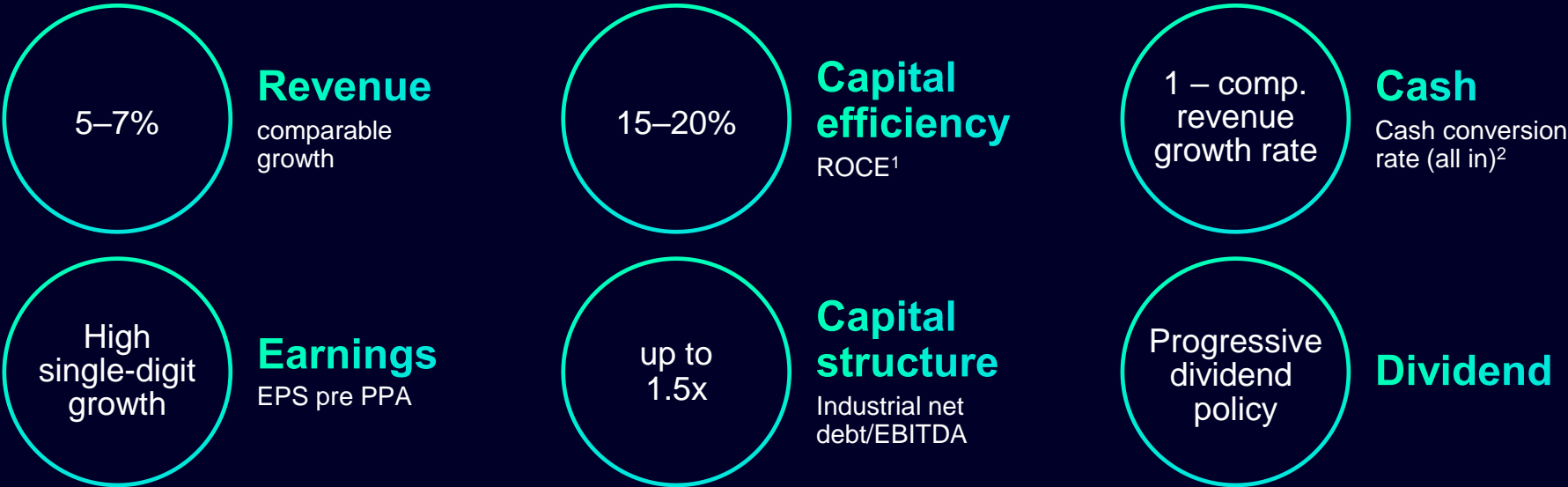
<sup>2</sup> The outlook is based on current foreign exchange rate assumptions, on the current portfolio, and on further assumptions, see Quarterly Statement Q3 FY2023 |

<sup>3</sup> Y-o-y growth excluding antigen contribution | <sup>4</sup> FY2023 assumes €100m revenue of antigen contribution, and €100 to €150m of Diagnostics transformation related one-time costs within adj. EBIT/EPs (total of €150 to €200m costs); core excludes antigen contribution and transformation related one-time costs

# Siemens Financial Framework

Targets over 3 – 5 year cycle

Siemens



## Businesses

|                                  | Digital Industries            | Smart Infrastructure | Mobility | Siemens Healthineers | Financial Services      |
|----------------------------------|-------------------------------|----------------------|----------|----------------------|-------------------------|
| Profit margin range <sup>3</sup> | 17–23%                        | 11–16%               | 10–13%   | 17–21%               | RoE <sup>4</sup> 15–20% |
| Cash conversion rate             | 1 – comp. revenue growth rate |                      |          |                      |                         |
| Resilience KPI                   | ARR                           | Service              | Service  |                      |                         |

1 Excluding defined acquisition-related effects for Varian 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



# Financial calendar

|                            |   |                                     |  |                            |
|----------------------------|---|-------------------------------------|--|----------------------------|
| August 10, 2023            | September 6, 2023                         | September 13, 2023                  | September 19, 2023                       | November 16, 2023          |
| <b>Q3 Earnings Release</b> | <b>Morgan Stanley conference (London)</b> | <b>UBS Quo vadis tour (Virtual)</b> | <b>Goldman Sachs conference (Munich)</b> | <b>Q4 Earnings Release</b> |

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