**Siemens Revenue Breakdown**

**Digital Industries**

Siemens' Digital Industries (DI) segment has provided a detailed outlook for fiscal year 2025. Here's an analysis of their expected growth:

**Overall Outlook for Digital Industries (Fiscal Year 2025):**

* **Revenue Growth:** Siemens expects Digital Industries to have a **comparable revenue change in a range of -6% to 1%** for fiscal year 2025. This indicates a challenging year with potential for a slight decline or very modest growth.
* **Profit Margin:** They anticipate a profit margin of **15% to 19%**.

**Breakdown by Business Area and Market Dynamics:**

The overall modest to negative revenue growth for Digital Industries is a result of contrasting trends within its different business areas:

* **Automation Business (e.g., factory automation, motion control):**
  + **Fiscal 2024 Performance:** Orders and revenue were **down substantially** in fiscal 2024, particularly in factory automation, due to customers and distributors reducing high stock levels and weak global demand for manufactured goods.
  + **Fiscal 2025 Outlook:** Automation markets are expected to be impacted by **further destocking of inventories and subdued macroeconomic development during the first half of fiscal 2025**. However, they are expected to **recover gradually during the second half of fiscal 2025, resulting in slight market growth for the full fiscal year.** This suggests that while the first half will still be tough, there's an expectation of improvement later in the year.
* **Software Business (e.g., PLM, EDA, Mendix, Supplyframe, Pixeom):**
  + **Fiscal 2024 Performance:** Orders and revenue showed a **clear increase**, with double-digit growth in both PLM and EDA businesses, driven by growing demand for DI's software offerings.
  + **Fiscal 2025 Outlook:** The **software markets are expected to grow clearly throughout fiscal year 2025**. This is fueled by long-term trends like digitalization, strong demand for semiconductor design, and AI. Digital Industries is also transitioning parts of its software business (especially PLM) to a Software as a Service (SaaS) model, which is expected to yield more predictable recurring revenue and open access to new customers.
  + **Acquisition of Altair Engineering Inc.:** The agreement to acquire Altair, a computational science and AI software provider, is expected to close in the second half of calendar 2025, further bolstering their software capabilities and future growth potential in AI.

**Key Trends Influencing Future Growth:**

Digital Industries identifies three major long-term growth opportunities:

1. **Modernization of production capacity:** Investment goods producers need to modernize for increased production flexibility and reduced time to market in an increasingly digital environment.
2. **Vertical solutions and service offerings:** Producers are complementing core products with solutions and services that customers need to fully utilize investment goods.
3. **Regionalization:** A shift from globalization to regionalization is occurring to support local economic development, increase supply chain resilience, and adapt solutions to local needs.

**In summary:**

Siemens Digital Industries is facing a mixed environment in fiscal 2025. While the **automation business is expected to recover from a challenging 2024, with slight growth expected in the second half of fiscal 2025 after initial destocking**, the **software business is anticipated to continue its strong growth trajectory throughout the year.**

Therefore, the overall expected revenue growth for Siemens Digital Industries in fiscal 2025 is modest, ranging from a **-6% decline to a 1% increase**, indicating that the continued strength of their software offerings and the anticipated recovery in automation will likely balance out to a relatively flat or slightly declining comparable revenue figure for the segment in the short term. The acquisition of Altair, along with their focus on advanced software solutions, AI, and digitalization, positions them for **long-term growth opportunities** beyond fiscal 2025.

***Smart Infrastructure***

Siemens' Smart Infrastructure (SI) segment is projecting a positive growth outlook for fiscal year 2025, building on a strong performance in fiscal 2024.

**Expected Growth Rate for Fiscal Year 2025:**

* **Comparable Revenue Growth:** Smart Infrastructure expects comparable revenue growth of **6% to 9%** for fiscal year 2025. This is a robust growth target, indicating confidence in their market position and the ongoing demand for their solutions.
* **Profit Margin:** They are targeting a profit margin of **17% to 18%** for fiscal 2025.

**Analysis of Fiscal 2024 Performance and 2025 Outlook:**

Smart Infrastructure had an excellent fiscal 2024, exceeding prior-year performance across orders, revenue, profit, and profitability. This strong momentum is expected to carry into 2025, driven by several factors:

* **Strong Order Backlog:** At the end of fiscal 2024, Smart Infrastructure had an order backlog of **€18 billion**, with **€13 billion expected to be converted into revenue in fiscal 2025**. This provides a significant foundation for their projected revenue growth.
* **Performance by Business Area:**
  + **Electrification and Electrical Products:** These businesses contributed the strongest growth in orders and revenue in fiscal 2024, particularly from data center and energy customers. The electrification business strongly executed on its large order backlog. This strong performance is expected to continue, especially with robust demand for data centers and power distribution.
  + **Buildings:** While growth in residential and commercial building markets might be weak in fiscal 2025, Smart Infrastructure's comprehensive portfolio, including building management systems, HVAC controls, fire safety, and security, is well-positioned for smart, human-centric buildings and energy efficiency. Their focus on services and cloud-native software (Building X) further supports this.
* **Geographic Performance:**
  + **Americas:** Led order and revenue growth in fiscal 2024, benefiting from strong demand for digitalization (especially AI) and government reindustrialization programs in the U.S. While maintaining this pace might be challenging in fiscal 2025, the region is expected to contribute to market growth.
  + **Europe, C.I.S., Africa, Middle East:** Contributed to order growth in fiscal 2024, and markets in Europe are **expected to recover from the fiscal 2024 growth weakness in fiscal 2025**.
  + **Asia, Australia:** Order development was held back by lower demand from China in fiscal 2024, and growth in this region is **expected to remain subdued in fiscal 2025**.
* **Resilient Business Mix:** Smart Infrastructure's diversified regional and vertical markets, along with its mix of products, systems, solutions, and services, contribute to a balanced and resilient business. Their strategy to increase the share of revenue from services further strengthens this resilience.
* **Strategic Initiatives and Trends:**
  + **Decarbonization and Digitalization:** These are major trends driving demand for flexible and resilient energy infrastructures (including eMobility charging) and more sustainable, smarter buildings. Smart Infrastructure's R&D focuses on environmentally friendly solutions and technologies for renewable-based energy systems.
  + **Urbanization and Demographic Change:** These trends fuel the need for smarter buildings and infrastructure, aligning with SI's offerings.
  + **IoT, AI, and Digital Twins:** Smart Infrastructure is heavily investing in these technologies, developing platforms like Building X, Electrification X, and Gridscale X (part of Siemens Xcelerator) to enhance digital offerings, simulate, and optimize activities.
  + **Sustainability Focus:** R&D emphasizes product sustainability through eco-friendly designs and recycled materials.
  + **Investments:** Major investments are directed towards product businesses, factory automation, and optimization, with a strong focus on innovation.
  + **Sale of Wiring Accessories Business in China:** This is a portfolio optimization move expected to close in fiscal 2025.

**In conclusion:**

Siemens' Smart Infrastructure segment is entering fiscal year 2025 with strong momentum and a clear growth strategy. They are **expecting a comparable revenue growth rate of 6% to 9%**, driven by continued strong demand in electrification and electrical products (especially data centers and power distribution), a projected recovery in European markets, and their ongoing focus on digitalization, sustainability, and service expansion. While some challenges remain in specific building and industrial markets and in China, the overall outlook for Smart Infrastructure is very positive, reflecting their ability to capitalize on major global trends.

**Mobility**

Siemens' Mobility segment is poised for significant growth in fiscal year 2025, building on a strong performance in the previous year.

**Expected Growth Rate for Fiscal Year 2025:**

* **Comparable Revenue Growth:** Mobility anticipates comparable revenue growth of **8% to 10%** for fiscal year 2025. This is the highest growth projection among the Siemens industrial businesses mentioned, signaling a very positive outlook for this segment.
* **Profit Margin:** The expected profit margin for fiscal 2025 is **8% to 10%**.

**Analysis of Fiscal 2024 Performance and 2025 Outlook:**

Mobility demonstrated a robust performance in fiscal 2024, with higher revenue, profit, and profitability across all its businesses. While overall order intake decreased from a record-high fiscal 2023 (which included even larger orders), Mobility still secured significant contracts.

* **Strong Order Backlog:** Mobility's order backlog grew to **€48 billion** at the end of fiscal 2024, with a substantial **€11 billion expected to be converted into revenue in fiscal 2025**. This large backlog provides excellent visibility and a strong foundation for the projected revenue growth.
* **Business Area Performance:**
  + **Rolling Stock and Service Markets:** These are projected to **remain strong** in fiscal 2025, with multiple large projects upcoming. This includes ongoing demand across all market segments, especially for high-speed, commuter rail, and metro systems. The service business, which contributes significantly to revenue, will continue to grow as more products and solutions are put into operation.
  + **Rail Infrastructure:** Market growth is driven by **digitalization, modernization investments, and the deployment of ETCS and CBTC technology**, along with continued investments in track electrification. This sustained demand for advanced rail infrastructure solutions bodes well for Mobility.
  + **Software Business:** Mobility's software offerings, including train planning, MaaS platforms, and data analytics, are increasingly crucial as digitalization profoundly transforms the rail industry, creating growth opportunities.
* **Geographic Dynamics:**
  + **Europe:** Rail operators, particularly in Germany and the U.K., are expected to continue making significant investments in rolling stock and advanced rail infrastructure.
  + **Middle East and Africa:** Expected to tender large turnkey projects, especially in North Africa, Egypt, Saudi Arabia, and the United Arab Emirates.
  + **U.S.:** Markets are expected to remain strong, driven by investments in rolling stock (high-speed and light-rail) and continued demand for mass transit (including CBTC) and developing rail freight solutions.
  + **Asia, Australia (especially India):** While order development was held back by lower demand from China in fiscal 2024, India's market is expected to **remain strong** in the coming years due to large planned procurement programs for electric multiple units and locomotives, financed by public funds to meet national railway strategies.
* **Driving Trends:** Mobility benefits from powerful long-term trends:
  + **Urbanization:** Increasing urban populations demand simpler, faster, and more flexible mobility solutions.
  + **Decarbonization:** Pressure to cut CO2 and noise emissions drives investment in sustainable rail transportation.
  + **Digitalization:** The profound transformation of the rail industry by digitalization creates significant growth opportunities for Mobility's digital solutions.
* **R&D and Innovation:** Mobility's R&D focuses on reducing lifecycle costs, enhancing system availability, increasing network capacity, optimizing operator processes, and improving passenger experience. Innovations incorporate Siemens Xcelerator, modular software, APIs, cloud-based solutions, AI for driverless trains, and advanced signaling systems.

**In summary:**

Siemens Mobility is projecting a strong comparable revenue growth rate of **8% to 10%** for fiscal year 2025. This optimistic outlook is underpinned by a substantial order backlog, robust demand across all its business areas (rolling stock, rail infrastructure, and services), and favorable long-term market trends like urbanization, decarbonization, and digitalization. Geographic expansion, particularly in the Americas, Europe, Middle East, Africa, and India, is also expected to be a key growth driver. Mobility's continued focus on advanced technology, digitalization, and comprehensive lifecycle services positions it well for sustained future growth.

**Siemens Healthineers**

Siemens Healthineers is expecting moderate to clear growth in fiscal year 2025, building on a positive performance in fiscal 2024, despite some regional challenges.

**Expected Growth Rate for Fiscal Year 2025:**

* **Comparable Revenue Growth:** Siemens Healthineers confirms its expectation of comparable revenue growth of **between 5% to 6%** compared with fiscal year 2024.
* **Adjusted Basic Earnings Per Share (EPS):** The expectation for adjusted basic EPS is between **€2.35 and €2.50**. (Note: A more recent Q2 2025 update mentions a revised range of €2.20 to €2.35 for adjusted basic EPS, reflecting tariff impacts, but the revenue growth forecast remains consistent at 5-6%).

**Analysis of Fiscal 2024 Performance and 2025 Outlook:**

Siemens Healthineers experienced an increase in orders and revenue in fiscal 2024, largely driven by its Imaging and Varian businesses. The Diagnostics business saw a decline due to the absence of rapid coronavirus antigen test revenue from the prior year.

* **Order Backlog:** At the end of fiscal 2024, Siemens Healthineers had an order backlog of **€35 billion**, with **€11 billion expected to be converted into revenue in fiscal 2025**. This provides a solid base for the projected revenue growth.
* **Market Dynamics by Business Segment:**
  + **Imaging:** This business is expected to grow **moderately overall in fiscal 2025**, stimulated by new, innovative products for clinical applications and continued demand for product-related services (which follow equipment sales with a time lag).
  + **Diagnostics:** After moderate growth in fiscal 2024 (driven by normalization of routine tests, but hampered by reduced reimbursement rates and inflation), this market is expected to achieve **slight growth in fiscal 2025**. The transformation program in this business also aims for cost reductions.
  + **Varian (Cancer Care):** This market is expected to grow **clearly in fiscal 2025**, supported by rising customer demand for new products, the introduction of progressive therapies and solutions for cancer treatment, and replacement of aging equipment.
  + **Advanced Therapies:** This market is expected to continue to grow **moderately in fiscal 2025**, largely driven by worldwide replacement purchases.
* **Geographic Performance:**
  + **Americas and Europe, C.I.S., Africa, Middle East:** Both regions saw increased orders and revenue in fiscal 2024, with market growth recorded in all businesses in the Americas. Europe's growth was somewhat damped by high debt levels and geopolitical tensions.
  + **Asia, Australia:** Orders and revenue declined in fiscal 2024, primarily due to delayed order placements by customers in China (influenced by the campaign against corruption in its healthcare sector). This region remains a focus area for potential recovery.
* **Key Driving Trends (Long-term Stability and Growth):**
  + **Demographic Developments:** The growing and aging global population increases the demand for cost-efficient healthcare solutions.
  + **Economic Development in Emerging Countries:** Improved access to healthcare in these countries drives significant investments and market growth.
  + **Increase in Non-communicable Diseases:** Leads to a greater need for early detection and treatment of multiple morbidities.
  + **Transformation of Healthcare Providers:** Consolidation into larger clinic and laboratory chains drives demand for standardized, scalable systems, solutions, and new business models (e.g., value-based reimbursement).
* **R&D and Innovation:** Siemens Healthineers is heavily investing in R&D, focusing on Artificial Intelligence, sensors, robotics, and improving product sustainability. They regularly release software updates to enhance user-friendliness, add innovative applications, and extend equipment service life. Their investments also cover expanding manufacturing capabilities and improving operational efficiency.

**In summary:**

Siemens Healthineers anticipates a **comparable revenue growth rate of 5% to 6%** for fiscal year 2025. This growth will be primarily driven by the Imaging and Varian businesses, which are benefiting from innovation and strong market demand. While the Diagnostics business is expected to see slight growth as it normalizes and undergoes transformation, the overall healthcare market trends—such as an aging population, rising non-communicable diseases, and increased healthcare access in emerging countries—provide a stable long-term foundation. Despite some regional headwinds (like China) and macroeconomic factors (like interest rates in Europe), Siemens Healthineers is positioned for consistent, moderate growth in the coming fiscal year.

**Siemens Financial Services**

Siemens Financial Services (SFS) acts as a crucial enabler for Siemens' industrial businesses (Digital Industries, Smart Infrastructure, and Mobility) by providing comprehensive financing solutions. While the provided text doesn't explicitly state a numerical growth target for SFS's revenue or profit in fiscal year 2025, it highlights key factors that will influence its performance and overall strategic alignment.

**Outlook and Key Influencing Factors for Fiscal Year 2025:**

SFS's performance is inherently linked to the business development of Siemens' industrial segments. Given the positive outlooks for Digital Industries, Smart Infrastructure, and Mobility (especially with projected growth in areas like data centers, eMobility, and rail projects), SFS is well-positioned to see continued activity in its financing operations.

* **Alignment with Siemens' Industrial Businesses:** SFS's core focus is on financing solutions (leasing, lending, working capital, structured financing) for Siemens' customers and partners, particularly in areas where Siemens has strong domain know-how. This direct alignment means that as Siemens' industrial businesses secure more orders and projects (e.g., large rail contracts, smart building solutions, industrial automation upgrades), SFS will have increased opportunities to provide the necessary financing.
* **Focus on Sustainable Technologies and Projects:** SFS actively supports customers' investments in sustainable technologies and projects. Given the global trends of decarbonization and the energy transition, this focus will likely generate significant financing opportunities, aligning with Siemens' broader sustainability goals.
* **Continued Strong Performance in Equity Business:** In fiscal 2024, the equity business delivered strong results, driven by higher gains from sales (including a significant gain from an Indian equity investment). While future gains from sales are inherently less predictable, SFS aims to maintain a highly diversified portfolio, including participation in selected Asian markets.
* **Managing Credit Risk:** SFS's earnings in the debt business in fiscal 2024 benefited from lower expenses for credit risk provisions, suggesting effective risk management. Their strong regional footprint in investment-grade countries, with a high share in the U.S., helps to maintain a stable foundation. However, macroeconomic effects like inflation or recession could impact customer credit risk, requiring ongoing vigilance.
* **Collaboration on New Digital Business Models:** SFS's collaboration with Siemens' industrial businesses to co-develop new digital business models indicates an active role in enabling future growth areas. This involves providing financial advisory and risk management expertise for innovative projects and business models (e.g., "as-a-service" models, digital twin applications).
* **Capital Allocation:** SFS's capital allocation remains focused on areas closely aligned with Siemens' core industrial markets. This strategic focus ensures that its financial resources are deployed to support Siemens' overall growth initiatives.

**In summary:**

While specific numerical targets for SFS's fiscal year 2025 growth are not provided in the text, its performance is strongly intertwined with the robust growth expected from Siemens' industrial businesses. SFS is strategically positioned to capitalize on this by providing essential financing for customer investments, particularly in high-growth areas like sustainable technologies, digitalization, and major infrastructure projects. Its diversified portfolio and strong risk management capabilities provide a stable foundation, suggesting a positive outlook driven by its role as a key financial enabler for the Siemens Group.