

A new market leader is ready to launch

Further details on spin-off of the energy business

Munich, May 26, 2020

Disclaimer



This presentation and the information contained herein are for information purposes only and do not constitute a prospectus or an offer to sell or a solicitation of an offer to buy or subscribe for any securities in the United States of America ("**U.S.**"), Canada, Japan, Australia or in any other jurisdiction. Any securities to be distributed in connection with this transaction have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the laws of any state of the U.S. Neither Siemens Energy AG nor Siemens AG intends to register any securities referred to herein in the U.S.

This presentation is being distributed to, and is directed only at, persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply. This document does not constitute an offer document or an offer of securities to the public in the U.K. to which section 85 of the Financial Services and Markets Act 2000 of the U.K. applies and is not, and should not be considered as, a recommendation that any person should subscribe for or purchase any securities. This document is being communicated only to (i) persons who are outside the U.K.; (ii) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**Order**") or (iii) persons within the scope of article 43 of the Order or (iv) high net worth companies, unincorporated associations and other bodies who fall within article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). Any investment or investment activity to which this document relates is available only to and will be engaged in only with Relevant Persons, and any person who is not a Relevant Person must not act or rely on this communication or any of its contents. This document should not be published, reproduced, distributed or otherwise made available, in whole or in part, to any other person without the prior consent of the Company.

This presentation contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management of Siemens AG and Siemens Energy AG. Forward-looking statements involve known and unknown risks and uncertainties and, therefore, should not be construed as guarantees of future results, performance and events. Actual results, performance or events may differ materially from those described in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, affecting Siemens Energy AG, and other factors. Siemens AG or Siemens Energy AG do not undertake any obligation to update any forward-looking statements.

Siemens Energy – A new major player on the stock exchange



Spun-off businesses

 <p>Gas and Power</p>	 <p>Siemens Gamesa¹</p>
Distribution transformers	Hydrogen solutions
Solutions business (excl. minerals)	Voith Hydro joint venture
Subsea systems business	Ethos Energy joint venture

¹ Contribution of 67% stake in SGRE

Key financial indicators²

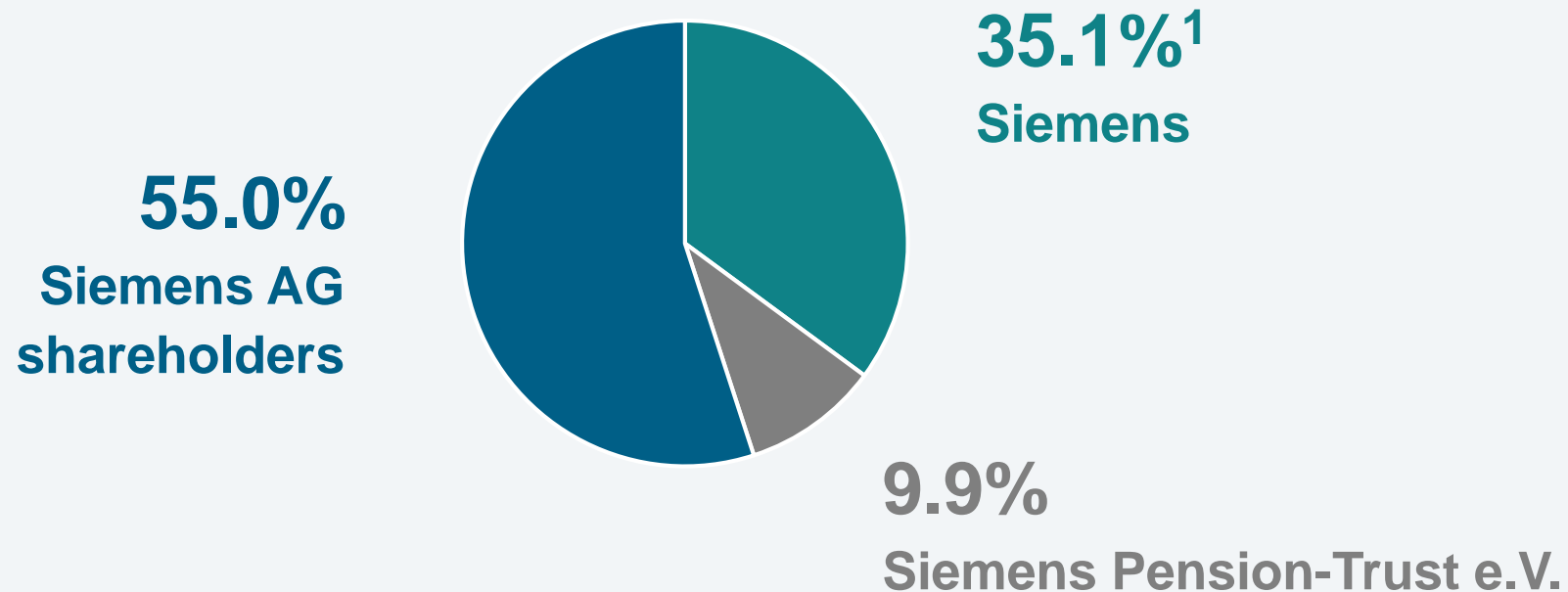
€77.0 billion Order backlog	€33.7 billion Orders	€28.8 billion Revenue
€1.3 billion EBITA ³	€0.9 billion Free cash flow	91,000 Employees

² Pro forma fiscal year, ended September 30, 2019; employees as of March 31, 2020

³ Adjusted EBITA excluding severance charges of €0.3 billion

Siemens to relinquish majority ownership from the outset

- **Plans** call for admission to trading on the Regulated Market and in the **Prime Standard segment** of the Frankfurt Stock Exchange by the **end of September 2020**
- **Initial listing** to take place on **September 28, 2020**



¹ Of which 12.02% held by the wholly owned subsidiary Siemens Beteiligungen Inland GmbH

Allocation ratio enables uncomplicated implementation of spin-off

2:1

Allocation
ratio

- **One Siemens Energy AG share for every two Siemens AG shares**
- Allocation ratios of 1:1 to 10:1 were selected for previous spin-offs in Germany (OSRAM, Uniper, Lanxess, Metro)
 - ✓ Siemens Energy share price expected to be within the **range typical** for Germany
 - ✓ **Modest volume of partial entitlements** (“fractional shares”)
- Nominal value of **€1.00 per share** in Siemens Energy AG

Very solid capital structure – Solid investment-grade rating targeted

37.8

%

Equity ratio

- **Equity of about €17.3 billion¹** as of March 31, 2020
- **Equity ratio of 37.8%¹**
- Siemens Energy provided with **liquidity equivalent to about €6.2 billion** – of which around €4.1 billion is to be used to settle liabilities in period before spin-off takes effect
- Confirmation from a bank consortium for the provision of a **revolving credit facility of €3.0 billion**
- Both the Managing Board of Siemens AG and the Executive Board of Siemens Energy AG hold that **Siemens Energy AG has been funded with sufficient capital and liquidity**
- The aim is to meet the **requirements for a solid investment-grade rating**

¹ All figures are on a pro forma basis as of March 31, 2020

Future independence contractually safeguarded



Relinquish-
ment of
control

- Siemens Energy business to be managed **autonomously and independently** of Siemens AG
- **No direct or indirect controlling influence** on the part of Siemens AG
- **No full consolidation** of Siemens Energy after the spin-off has taken effect
- **Deconsolidation agreement** ensures that Siemens cannot exercise any controlling influence on the Siemens Energy business. This includes such elements as:
 - ✓ **Limitations** on exercising of voting rights
 - ✓ **Maximum number of Siemens representatives** on Supervisory Board of Siemens Energy AG (**maximum of three seats**)

New company has a strong and established brand



License and
service
agreements
concluded

- Siemens and Siemens Energy have entered **various licensing and service agreements** in line with **industry standards**.
- Corporate identity of Siemens Energy and Siemens Gamesa Renewable Energy (SGRE) continues to include the **“Siemens” brand**.
- Negotiation of **corresponding brand license agreements**
- Payment of **license fee by Siemens Energy**
 - ✓ **Based on adjusted EBITA margin**
 - ✓ **0.3% to 1.2%** of brand-relevant revenue (excluding SGRE)
- **License fee** to be paid for fiscal 2020 **expected to be in mid-double-digit million range**.



Strong
together

- Use of **Siemens AG services** for a **transitional period** and possibly for the **long term**
- Areas such as **human resources, accounting, purchasing, sales, marketing, IT, communications, technology, and research and development**
- **Contracts of different durations** – usually from **12 to 36 months**
- Over the entire contractual periods, total volume of **transitional services agreements** and of **long-term service agreements** to amount to **about €1.0 billion overall**
- **Preferred financing agreement** effective upon completion of spin-off from Siemens AG
 - ✓ Regulates **non-exclusive cooperation** for both parties in the areas of **debt financing**, commercial finance (especially leasing) and **equity financing** for customers of the Siemens Energy business

Attractive dividend policy for both companies



Siemens AG

Siemens Energy AG

40% – 60%

of the Group's net income¹

40% – 60%

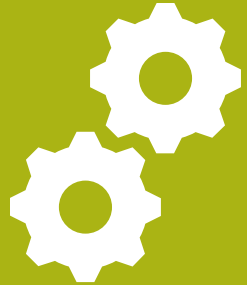
of the Group's net income²

(No dividend expected for fiscal 2020 – with possible exception of any legally required minimum dividend)

¹ Planned distribution ratio for Siemens AG shareholders

² Planned distribution ratio for Siemens Energy AG shareholders

Public listing requires no action on the part of Siemens AG shareholders



Automatically
added to the
securities
account

- **Siemens Energy AG shares will automatically be added to shareholders' securities accounts**
- **Distribution of shares free of commission or expenses for Siemens shareholders with securities accounts in Germany**
- **Possible commissions and expenses** for shareholders with securities accounts **outside Germany** due to existing agreements **with the institution serving as the custodian bank**
- Announcement of **details of the distribution process** immediately after the spin-off has been registered in the commercial register (**“allocation announcement”**)
- Allocation announcement also to be published in **German Federal Gazette**
- Crediting of the **Siemens Energy AG shares** in the securities accounts of the **Siemens shareholders** by the custodian bank usually before the start of trading on the trading day following the allocation date

Simple procedure for partial entitlements of Siemens AG shareholders



- Partial entitlements for Siemens shareholders with **an odd number of shares**
- Two basic options:
 - ✓ **Selling partial entitlements** (maximum of one per Siemens shareholder) via the institution serving as the custodian bank
 - ✓ **Purchasing partial entitlements** (maximum of one per Siemens shareholder) to receive one Siemens Energy AG share

Contacts

Business and financial media

Jürgen Homeyer **+49 89 636-22804**

Richard Speich **+49 89 636-30017**

Internet: www.siemens.com/press

E-mail: press@siemens.com

Phone: **+49 89 636-33443**