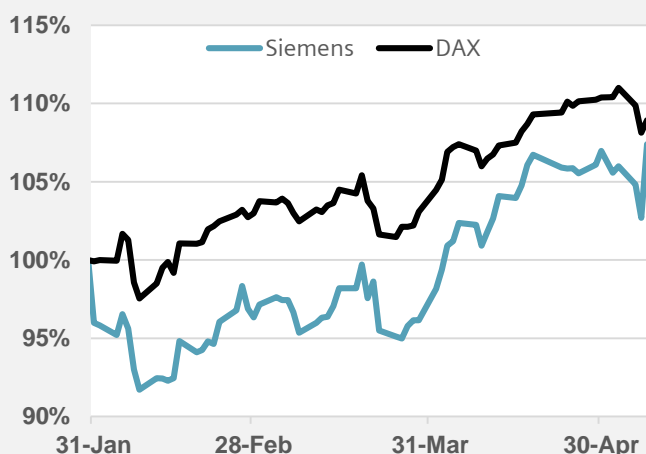




Share Performance Jan 31 – May 8, 2019



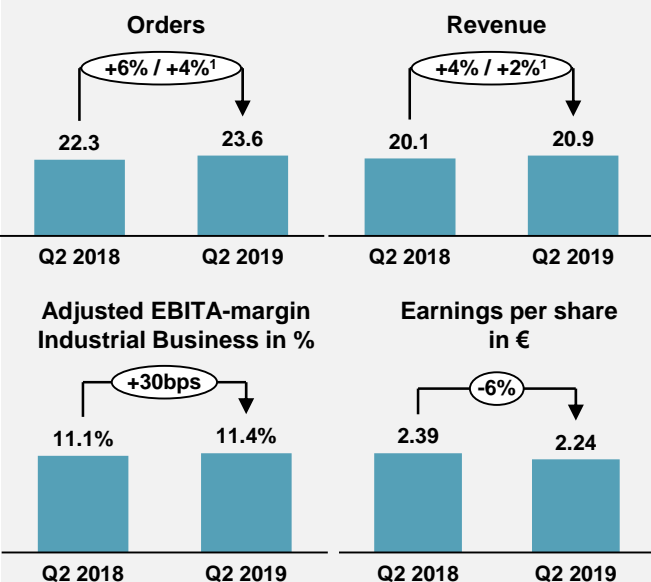
Siemens +7% | DAX +9%

GE +12% | Eaton +11% | ABB +3% | Schneider +18% | MHI +10%

[Link to the Siemens share information](#)

Selected Key Figures

(in € billion, except where otherwise stated)



1) Changes are adjusted for currency translation and portfolio effects

Ladies and gentlemen, dear shareholders,

On May 8, 2019, two important events came together. In addition to the publication of the Q2 results for FY 2019, the Capital Market Day (CMD) for "Vision 2020+" was held. CEO Joe Kaeser, CFO Ralf Thomas and the management teams of the Operating Companies gave an overview on the strategic program and answered questions from analysts and investors.

The **second quarter of fiscal 2019** in a nutshell:

"We delivered on our promises again this quarter, and even exceeded expectations in many areas. Now, we enter into a new era to become an even stronger and more focused Siemens," said Joe Kaeser.

Orders and **revenue** were in line with market expectations and resulted in a book-to-bill ratio of 1.13. Order backlog reached a new record high of €142bn. **Adjusted EBITA margin** exceeded market estimates clearly with 11.4%.

Net income in Q2 FY 2019 benefited from a lower income tax rate and came in at €1.9bn. **Basic EPS** amounted to €2.24. Furthermore **Siemens confirms its fiscal 2019 guidance** (page 4).

On the evening before the **Capital Market Day**, the most important information regarding the future transformation of Siemens was already published. An overview of the most important topics:

- **Creation of new major player on the energy market** through **spin-off of Gas and Power (GP)** and transfer of Siemens' stake in **Siemens Gamesa Renewable Energy (SGRE)** – **shareholders participate directly in success through the spin-off**
- **Future industrial core: Digital Industries and Smart Infrastructure**
- **€2.2bn savings through structural efficiency gains**
- **Growth in future-oriented fields**
- **Klaus Patzak to become CFO of the new Siemens Gas and Power**

"With Vision 2020+, we're further sharpening Siemens' focus and making our businesses faster and more flexible. These changes are laying the foundation for sustainable economic success in growth markets that will be attractive over the long term. We're also creating solid perspectives for those businesses that have to prove themselves in the structural transformation now underway and address new growth fields," said Joe Kaeser. Further CMD information on pages 2-3.

On the day of the quarterly results release and the CMD, the **Siemens share** closed at €107.16 (+4.6%), clearly outperforming the DAX (+0.7%) and peers. It benefited from better than expected Q2 figures and the announcement of the previous day to spin-off and deconsolidate GP, after the transfer of Siemens' SGRE stake. Furthermore, the market reacted positively regarding the disclosure level and path for value creation of the Operating Companies as well as the planned efficiency measures of €2.2bn.

Dear shareholders, I want to thank you for your trust and interest in Siemens and hope you enjoy reading our shareholder letter.

Best regards

Sabine Reichel, Head of Investor Relations, Siemens AG

Our Industrial Business in Q2 2019

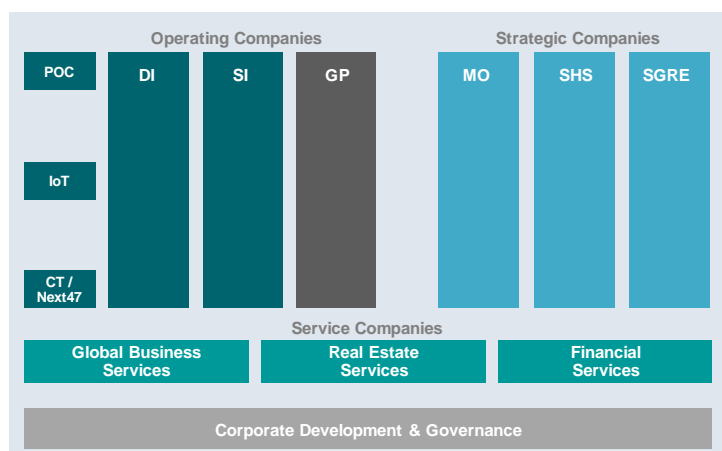


Vision 2020+

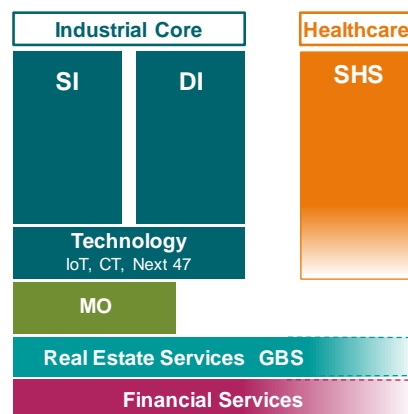
Capital Market Day | Munich, May 8, 2019

On May 8, 2019, Siemens further outlined its future strategic direction during the "Vision 2020+" Capital Markets Day. Siemens intends to meet its medium-term growth and profit targets by clearly focusing its portfolio on dynamic growth markets and efficiency gains. The Supervisory Board of Siemens AG unanimously approved on May 7, 2019, the next steps in the company's Vision 2020+ strategy concept, including the spin-off of Siemens Gas and Power (GP). The employee representatives on the Supervisory Board also approved the plan for GP and supported the Vision 2020+ growth strategy.

In the growth markets of automation, industrial digitalization and smart infrastructure, Siemens wants to grow significantly and further expand its leading position. The Digital Industries (DI) and Smart Infrastructure (SI) Operating Companies will comprise Siemens' future industrial core. This core will be supplemented by company-wide technology and service units and the company's strategic majority stake in Siemens Healthineers. Siemens Mobility is also to be further strengthened as a growth business.



Company structure since April 1, 2019



	Mid-term target 2021	Long-term target
Comp. Revenue Growth	4 - 5%	✓
Adj. IB EBITA Margin	11 - 15%	14 - 18%
ROCE	15 - 20%	✓
EPS	EPS Growth	✓

Vision 2020+

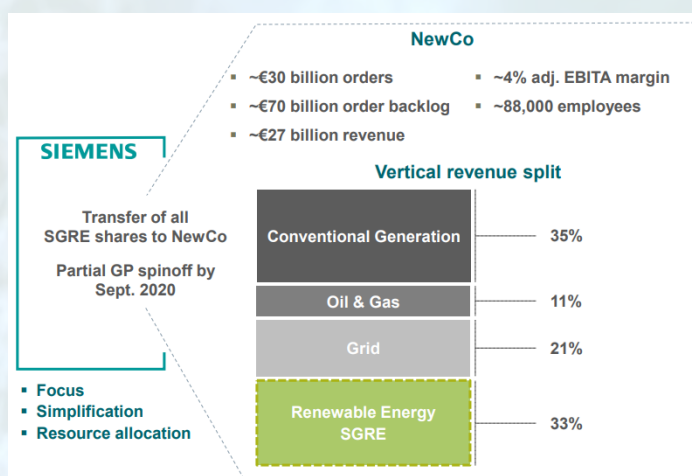
Impact for individual units

Siemens' Gas and Power (GP) to be separately managed

GP is to be given **complete independence and entrepreneurial freedom** through a carveout and a subsequent public listing (spin-off). The business comprises the company's oil and gas, conventional power generation, power transmission and related services businesses. In addition, **Siemens AG plans to contribute its majority stake (59%) in Siemens Renewable Energy (SGRE) to GP.**

Plans call for the stock **exchange listing to take place by September 2020.** Siemens will also give up its majority stake in GP. However, it will remain a strong **anchor shareholder** in the new company, with a **stake that is to be initially somewhat less than 50 percent** and, for the foreseeable future, **above the level of a blocking minority holding.**

A decision regarding the spin-off and subsequent public listing is to be made at **an extraordinary shareholders' meeting, probably in June 2020.** Siemens will then **deconsolidate both the new GP and SGRE.**



Digital Industries (DI)

DI intends to **strengthen its businesses in industrial digitalization** and **further expand its market leadership.** The goal is to **grow 25% faster than the market.** As a result, **up to 12,000 new employees are to be hired worldwide,** primarily in production, research and development, and sales. Profitability will be improved, for example, through the integration of two former Divisions, the improvement of internal processes in areas such as logistics, simplified controlling and the increased use of the company's own industrial software portfolio. These measures will also have a **structural impact on jobs** since different qualifications will be required in some cases. **Up to 4,900 jobs worldwide will be affected** by the measures. DI's management expects to incur **restructuring charges of €300m by 2023.** All in all, DI expects additional growth to **generate about 7,000 jobs by 2023.**

To generate growth, DI is relying on its Digital Enterprise portfolio, forward-looking technologies – like edge and cloud computing – artificial intelligence and additive manufacturing. In addition, DI is placing an even stronger focus on the domain-specific requirements of the automotive and aerospace industries as well as the food and beverage, electronics, battery production, pharmaceuticals and chemicals sectors.

Smart Infrastructure (SI)

SI has a **clear plan to boost growth.** First, SI intends to strengthen its **product business,** particularly in Asia. Second, its attractive **service business** is to be expanded. Furthermore, SI intends to intensify its **activities in future-oriented fields** such as electric mobility infrastructure, distributed energy systems, smart buildings and energy storage – also by leveraging the increased use of digitalization solutions. These steps are expected to generate **annual revenue growth of 4 - 5 %** across SI's entire portfolio. As a result, SI wants to **hire up to 6,000 new employees by 2023** – above all, in services, research and development, and sales.

Overall, with accelerated growth and a leaner setup, it is intended to raise the **profit margin to between 13 - 15% by 2023.** To achieve this goal, SI plans to **reduce jobs by a total of 3,000 worldwide.** This measure will **generate €300m in restructuring charges.** All in all, SI expects a **net increase of about 3,000 jobs by 2023.**

Corporate Units

As previously announced, **key parts of Siemens' Corporate Units and administration have been decentralized.** The remaining **Corporate Functions are also to become significantly leaner.** Concentration on the key tasks of the company's Corporate management means that **about 2,500 of the total of around 12,500 jobs at these Corporate Functions will be cut by 2023.** This reduction is expected to **result in restructuring charges of €400m.**

Efficiency Improvements

The **newly planned efficiency improvements will cut costs by a total of some €2.2bn by 2023.** This figure includes the **€500m targeted by the GP cost reduction program** that was announced in September 2018. All measures worldwide are to be implemented in a **socially responsible manner** as possible – in Germany, this is to be done in accordance with the framework agreement (Radolfzell II) signed by Siemens, its Central Works Council and the IG Metall trade union – and through the company's performance of its social responsibilities. Siemens expects planned growth to **create some 20,500 new jobs by 2023.** Taking into account the **roughly 10,400 efficiency-related workforce adjustments,** there will, accordingly, be a **net increase of some 10,000 jobs worldwide** within the same time period. Therefore, the growth-oriented Vision 2020+ strategy concept will also be reflected in workforce development.

Info Corner – Spin-off Siemens GP

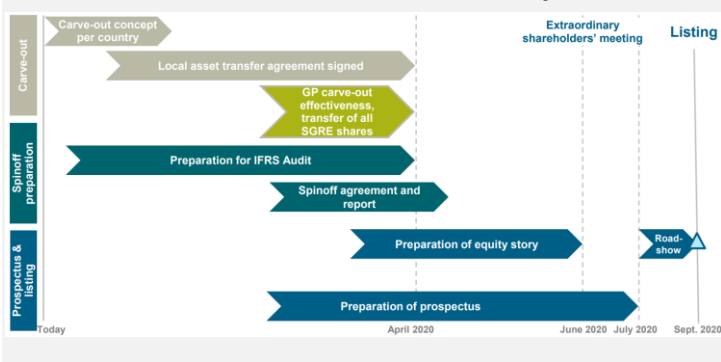
With the spin-off of Siemens Gas and Power, Siemens shareholders will immediately benefit from the spin-off.

What does a spin-off mean for Siemens shareholders?

At the time of the spin-off, Siemens shareholders will receive shares in Siemens GP shares in addition to their existing Siemens shares without an extra payment. This enables a rapid implementation of the spin-off and will give shareholders direct participation in the success.

The main difference to an IPO is that the placement of shares to interested investors is conducted in an IPO by a public offering. In case of a spin-off, shares are directly transferred to existing shareholders without individual decisions to buy shares.

What is the timeline for the Siemens GP spin-off?



Financial Calendar



Aug. 1, 2019	3rd quarter FY19 financial results
Nov. 7, 2019	4th quarter FY19 financial results
Feb 5, 2020	1st quarter FY20 financial results and AGM

For further information, please click [here](#)

Contact



Investor Relations

+49 (89) 636 32474

investorrelations@siemens.com

<http://www.siemens.com/ir>

Siemens AG

Werner-von-Siemens-Str. 1

80333 Munich

Germany

How does Siemens assess the further course of fiscal 2019?

We confirm our financial expectations for fiscal 2019. We assume a continued favorable market environment, particularly for our shortcycle businesses, with limited risks related to geopolitical uncertainties. For fiscal 2019, we expect moderate growth in revenue, net of currency translation and portfolio effects. We further anticipate that orders will exceed revenue for a book-to-bill ratio above 1. We expect a profit margin of 11.0% to 12.0% for our Industrial Business based on our current organizational structure, excluding severance charges. Furthermore we expect basic EPS from net income in the range of €6.30 to €7.00 also excluding severance charges. Fiscal 2018 basic EPS from net income of €7.12 benefited from €1.87 per share in portfolio gains related to our stakes in Atos SE and OSRAM Licht AG and was burdened by €0.76 from severance charges, resulting in €6.01 excluding these factors.

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 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 Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, should decisions, assessments or requirements of regulatory authorities deviate from our expectations, or should underlying expectations not occur 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.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens’ net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

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.