

**ON THE THRESHOLD OF  
A DECADE OF OPPORTUNITIES**

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Deputy CEO

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Ladies and gentlemen,  
esteemed shareholders,

Before I talk about our future, I'd like to say thank you. Thank you to all the people who've ensured that Siemens – despite all the challenges – can look back at a solid year and can look forward to excellent prospects for the future. The people I'm referring to are: our team of more than 290,000 colleagues worldwide, our customers, our suppliers and partners and, of course, you, the owners of our company.

Thank you all very much – and I also express this gratitude on behalf of the entire Managing Board.

Yet I'd like to put a special spotlight on two people today. People who've dedicated their entire professional lives to Siemens. People who've shaped the company and made it successful.

First to you, Joe: You took on leadership of Siemens at a time when our company was struggling hard. And back then you resolved to pass the company on to your successor in a better condition.

You've kept this promise!

Yet I'd also like to thank you at a very personal level – for your trust and your support.

We've experienced a lot together over the past 15 years. I have fond memories of the strategy workshops in which we defined milestones for our company and of the many meetings with customers and partners, but also with political leaders. Meetings that often focused on sensitive issues and critical projects.

One very special memory – the grand finale, so to speak – was our trip to Egypt three weeks ago. Together as a team, and after difficult negotiations, we successfully concluded a multi-billion-euro agreement for Siemens Mobility. This was another extraordinary experience.

Joe, you can be sure of this: Our farewell to you today is – by necessity – virtual. But our gratitude for your work and for who you are as a person is enormous and very real!

Thank you for all you've done – and best wishes for the future from all of us!

Ladies and gentlemen,

Klaus Helmrich will also be leaving the Siemens Managing Board soon. Klaus, we still have a few weeks before your farewell at the end of March. But this day wouldn't be complete without paying tribute to you.

Your passion for technology, a passion we both share, your unparalleled industry know-how, your tireless service to customers and our company – these and other characteristics set you apart and were crucial to your success. Big thanks go to you, too, from all of us!

## **A DECADE OF OPPORTUNITIES**

And to you, Jim, and to all the members of the Supervisory Board, I'd also like to express my sincere gratitude for the trust you've placed in me over the years – and for entrusting me today with the responsibility of being President and CEO of Siemens AG.

When I was young, I never would've imagined that things would turn out this way. To be honest, I didn't actually want to join Siemens after completing my studies. That was presumably my little rebellion against Erlangen, Germany, where nearly everyone works for Siemens or at least has a relative who does.

What brought me to Siemens despite this intention? I had an exciting topic for my doctoral thesis, for which I received support from the company, and especially from a brilliant physicist: Günter Ries.

In this way, I became familiar with the very interesting topics being worked on at Siemens – and I got to know fascinating people. I had the opportunity to work on projects that were just far away dreams at that time but are reality today.

So I landed at Siemens after all. And I stayed because I was always presented with new opportunities and new challenges – over the course of more than a quarter of a century.

Siemens is a unique technology company, and it'll play a key role in shaping the future. In particular, in combination with the other members of the large family of Siemens companies, with Siemens Energy and Siemens Healthineers.

Our company – your company, ladies and gentlemen – is on the threshold of a decade of opportunities.

I say this, because the digital transformation – which has revolutionized the consumer business over the past decade – has only just begun in our industrial markets.

In the decade ahead, the entire business world will reinvent itself. Digitalization is completely transforming the backbone of our economies: industry, infrastructure, transportation, energy and healthcare. And the pandemic has further accelerated this trend.

It's clear that only those who reinvent their companies, their business models, and their entire industries will be among the winners of this major transformation.

## **THE OPPORTUNITIES AHEAD**

And this is exactly where Siemens comes in.

No other company can help our customers transform themselves and their businesses like we can. With our technologies, with our automation, with our hardware and software, we combine the digital and physical worlds. No other company can help drive this transformation across such a broad spectrum.

Yet digitalization is much more than just a retrofitting process. Together with our customers, we can transform the everyday and improve the lives of billions of people. We contribute toward climate protection, for instance, by making industries more efficient and transportation more sustainable.

We offer solutions for a better life in growing cities around the world with smart infrastructure and smart buildings.

We help companies and economies become better connected, more intelligent and more resilient so that they can hold their own in the next wave of globalization.

And we use digital solutions in healthcare to make diagnosing and treating illnesses faster, easier and more affordable.

As we all know, the global economy needs new solutions to grow sustainably. This situation presents our company with major opportunities for sustainable growth.

Just a few examples from several of the growth markets we serve:

Worldwide investments in automation are set to grow by more than five percent annually over the next five years, and the corresponding investments in smart buildings are even to grow 14 percent.

The transportation market will grow 25 percent over the next three years.

And investments in electric-vehicle charging infrastructure alone are to total €110 billion worldwide by 2030.

Our markets are the growth markets for this decade!

## **OUR FOUR STRATEGIC PRIORITIES**

At Siemens, we've executed the biggest structural realignment of our company in its history. And we've turned a conglomerate into three focused companies that will shape their markets.

Our goal now is to turn Siemens into a focused technology company that grows sustainably. We don't just measure sustainability in terms of high growth rates, strong profitability and strong cash flow. It also includes having a high percentage of "recurring" revenue – from service and software-as-a-service, and it includes creating new jobs.

In addition, this sustainable approach includes growth that is achieved in combination with continuous reductions in our CO2 emissions, that uses fewer resources in general and that reduces CO2 emissions in our customers' operations.

And we're doing everything in our power to be and remain the leading technology company in these markets.

That's why we've been building and expanding our digital business for years now. By making acquisitions totaling more than €10 billion and by making massive investments in research and development.

In June, at our Capital Market Day, we'll provide a more detailed explanation of the strategies that our businesses will be pursuing to achieve these goals. Today, however, I can already tell you about the four strategic priorities that we'll be using to continuously improve our businesses.

First: Customer impact. We want to know what our customers need as early as possible – ideally, even before the customers themselves know what they need.

Therefore, since our colleagues in the Regions are the closest to our customers, they'll play an even more important role in the future.

This approach has already paid off during the pandemic. While we were able to keep our businesses running and sign contracts, others had to keep their plants closed.

We're also creating new ecosystems and technology platforms for our customers.

One ideal example here is Railigent. This platform from Siemens Mobility offers railway companies intelligent maintenance – from train doors and air-conditioning systems to transmissions and couplings. And it doesn't just do so for Siemens products alone, but also for those of our competitors. In this way, we make our offerings more useful and more attractive for our customers.

Second: Technology with purpose. Our goal must be to help our customers solve their concrete problems – and become more sustainable and more efficient in the process.

Here are just a few examples from among the thousands that arise in our daily work:

- With our customer GlaxoSmithKline, we've developed a solution to shorten the development time for vaccines by nearly one-third.
- With the German railway company Deutsche Bahn, we're working on hydrogen-powered trains to replace climate-damaging diesel locomotives.
- Comfy – our cloud-based platform for managing buildings – enables us to offer our customers an innovative and secure solution for getting their employees to their workplaces in a fast and safe way during the pandemic. Of course, we're already using Comfy at many Siemens locations.
- And in collaboration with SAP, we're combining the strengths of both partners. For our customers, we're building a comprehensive solution for the Fourth Industrial Revolution. A solution that will tear down silos and drive digitalization.

People are another important priority for us because there will be neither innovation nor progress without them. That's why we want to empower our colleagues, but also our partners and customers, to take matters into their own hands and become the best they can be.

We help our customers implement changes successfully – for example, by holding training sessions for their employees.

Yet we also strengthen and empower our own colleagues to enable them to solve problems on their own – while acting with responsibility and integrity and upholding the highest standards of conduct.

We have confidence in people. That's why, for instance – even after the pandemic – we'll pursue a work model that strikes a healthy balance between mobile working and working at the office. Because it's outcomes that matter to us, and not the amount of time spent at the office.

I was very pleased that our new working culture was so well received around the world.

But I was particularly proud of the story of two colleagues from Canada that recently gained attention in the press and on social media.

Aaron Genest heads a team for software applications at Siemens Canada. One of his team members asked him if she could work part time during the pandemic.

Aaron denied her request.

He told this colleague that she didn't need to feel guilty about taking the time to make sure her kids were learning at home. That they would work together to make sure that she could find the time she needed to ensure that she and her family could stay healthy in the pandemic and get through it well.

That, ladies and gentlemen, is exactly the approach and attitude that we need at Siemens. That's the solidarity that Aaron and his team member as well as many managers and colleagues are displaying in their work and in the examples they set. And we want to continue to cultivate and strengthen this solidarity.

Because we're convinced that it definitely isn't enough to merely bring the best people to the company. We also have to give them the trust and freedom they need in order to develop their potential!

Ladies and gentlemen,

That brings me to the fourth strategic priority, which we refer to as a "growth mindset" – a positive, forward-looking attitude. We don't insist on sticking to what we know and can do today. Instead, we always want to continue to learn and continue to grow.

That's why we invest more than €300 million annually in training and continuing education. That's why we're expanding our offering of digital training opportunities. And that's why we're

employing new tools in our human resources development processes to foster our employees' development and challenge them – and to attract the brightest minds to Siemens.

This growth mindset has always been part of Siemens' DNA. Again and again, we've reinvented the future! We know that you have to be open to new things in order to be successful. You have to be bold to take risks. You need perseverance to ensure that you aren't deterred by the inevitable setbacks.

And being successful requires team spirit. Because, in an increasingly diverse and complex world, it's not enough when a single individual sets the course all alone. To find the best solutions, we need a diverse range of perspectives, insights and experiences.

That's why I'm counting on every one of our more than 290,000 colleagues. And on the strong Managing Board team – on Judith Wiese, Ralf Thomas, Cedrik Neike and Matthias Rebellius.

They've had very different career paths and bring diverse areas of expertise to the table. But they share in-depth experience and an understanding of our customers and employees as well as our technologies and markets.

Together, we'll drive this company's progress!

## **WE WANT TO TRANSFORM THE EVERYDAY**

Ladies and gentlemen:

As Team Siemens, we want to transform the everyday – and improve people's lives. Just as Siemens has done again and again for 173 years.

To accomplish this, we're leading by example. And we're making our contribution to achieving the United Nations' Sustainable Development Goals. For instance, by supporting education and training initiatives. And by continuing to reduce our CO2 emissions.

I'm aware that many people see the digital transformation as a challenge or even as a threat.

For me, however, it's above all an answer. An answer to the questions posed by the major issues of our day: climate change, globalization, urbanization, and demographic change.



Digitalization – the process of integrating the physical world into the digital world – represents a gigantic leap forward for our customers and for their industries and markets.

Digitalization will help us all achieve growth and prosperity while using fewer resources. In a nutshell: it will help us build a world in which intelligent manufacturing, smart energy systems, smart buildings and connected mobility will make all our lives easier, healthier and more sustainable.

Building this world with our customers – that's what we've set out to accomplish.

That's why, even 27 years after joining Siemens, I can say the same thing as I did on my first day with this company: I'm looking forward to the future. To the possibilities it holds. And to shaping it with you!

Thank you for your trust.

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