



Joe Kaeser



Roland Busch



Ralf P. Thomas

Ladies and gentlemen, dear shareholders,

Last Friday, Deputy CEO Roland Busch and CFO Ralf P. Thomas presented the Q2 results of fiscal 2020 during an analyst conference call and a press call, also attended by CEO Joe Kaeser, and gave an update on the execution of Vision 2020+.

Despite noticeable effects of the Covid-19 pandemic, Siemens closed Q2 of fiscal 2020 on a solid note.

“We delivered a robust quarter given the serious circumstances. I am particularly impressed with my team that we are able to keep the original timeline for the spin-off of our energy business. While we expect to reach the bottom in the third quarter of fiscal 2020, we continue to keep the health and safety of our partners and employees as our first priority, while maintaining business continuity as much as responsibly possible,” said CEO Joe Kaeser.

In Q2 of fiscal 2020, **Orders** declined mainly due to lower large contract wins in Mobility on tough comps. **Revenue** was nearly constant compared to prior year, as increases at Siemens Healthineers and Mobility offset a decline at Digital Industries. The book-to-bill ratio of 1.06 remained well above one.

Adjusted EBITA Industrial Businesses (IB) was significantly lower at €1.6bn. Nevertheless, with **Adjusted EBITA margin IB** of 12.1%, a strong performance, considering the adverse environment, has been achieved.

In view of the current situation, Siemens can no longer confirm its original guidance for fiscal 2020. An update is provided on page 3.

Nevertheless, Siemens believes it is well positioned operationally and strategically for the coming quarters. The company is fully on track in implementing its Vision 2020+ strategy and is making faster-than-expected progress on cost target. In this context, Siemens also emphasizes to adhere to its plan to complete the spin-off and public listing of Siemens Energy before the end of fiscal 2020 (page 2).

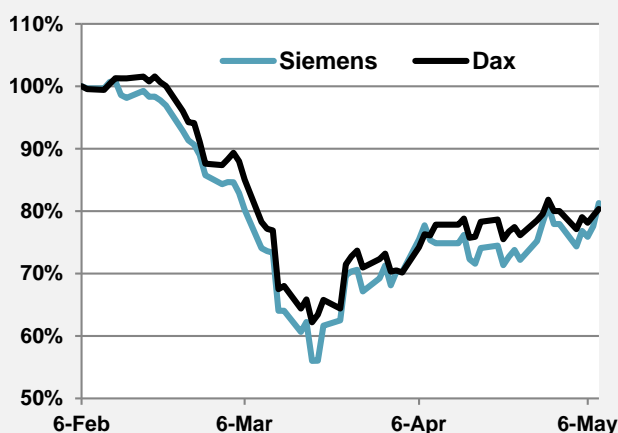
On the day of the results release, the **Siemens share** closed at €88.33 (+4.8%), strongly outperforming the DAX (+1.4%). Q2 clearly beat expectations, particularly Digital Industries' strong performance. The guidance update came also not as a surprise. Additionally, the market saw confirmation of Siemens Energy spin-off timeline as a clear positive.

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

Share Performance Feb 6 – May 8, 2020



Siemens -19% | DAX -20%

GE -51% | ABB -26% | Schneider -16% | ROK -6%

[Link to the Siemens stock chart](#)

Selected Key Figures

Orders

€15.2bn /
-9%¹

Revenue

€14.2bn /
-1%¹

Adj. EBITA margin Industrial Businesses

12.1%

Earnings per share

€0.80

¹ On a comparable basis, adjusted for currency translation and portfolio effects

Our Industrial Businesses in Q2 2020

Digital Industries



Revenue: €3.7bn **Adj. EBITA:** €585m
Adjusted EBITA margin: 15.9%

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Smart Infrastructure



Revenue: €3.5bn **Adj. EBITA:** €185m
Adjusted EBITA margin: 5.2%

[Press Releases](#) [Company Overview](#)

Siemens Mobility



Revenue: €2.3bn **Adj. EBITA:** €210m
Adjusted EBITA margin: 9.3%

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SIEMENS Healthineers 85%*



Revenue: €3.7bn **Adj. EBITA:** €612m
Adjusted EBITA margin: 16.6%

[Press Releases](#) [Company Overview](#)

* Siemens' share in Siemens Healthineers

Note: At the end of the second quarter of fiscal 2020, Gas and Power and Siemens Gamesa Renewable Energy (SGRE) were classified as held for disposal and discontinued operations

Execution of Vision 2020+

Despite macroeconomic turmoil we made significant decisions and progress in executing Vision 2020+. The Supervisory Board of Siemens AG has made a pivotal personnel decision on March 19, 2020 appointing Roland Busch (55), who is currently Deputy CEO, to be President and CEO of Siemens AG. At the latest, this appointment is to be effective at the end of the next ordinary Annual Shareholders' meeting, which is to take place on February 3, 2021.

Siemens Energy on track for listing end of September

We completed the carve out by end of March. Gas and Power and Siemens Gamesa (SGRE), constituting Siemens Energy, were subsequently transferred to Discontinued Operations.

As next steps, we will publish the spin-off report by the end of May, and the invitation for the extraordinary General Meeting.

Starting May 1, 2020, the new management team led by CEO Christian Bruch and CFO Maria Ferraro took over. Moreover, Joe Kaeser is to be proposed as Chairman of the Supervisory Board of Siemens Energy.



Resilient Business Portfolio & Competitiveness programs

After spinning-off Siemens Energy, our more focused and simplified portfolio is well suited for cyclical fluctuations and macroeconomic volatility. Our companies, Digital Industries (DI), Smart Infrastructure (SI), Mobility and Siemens Healthineers offer a healthy mix of short- and long-cycle businesses, combined with a growing service and software component.

An important cornerstone of Vision 2020+ is our goal to drive further margin expansion. We are well on track to achieve our targets for lean and effective governance and have even accelerated our cost reduction programs for DI and SI, first announced in May 2019.

Info Corner – Covid-19 update

“Both medically and socially, Covid-19 is a challenge of a kind that the world as a whole has never seen before in peacetime. Now, acting responsibly is more important than ever – for our company’s future, for the health and economic security of our workforce and business partners, but also for the cohesion of societies around the world,” said CEO Joe Kaeser.

What are the priorities at Siemens during Covid-19?

Priority #1 are our employees. We implement all necessary precautions to ensure their health and safety. Moreover, we ensure business continuity with our crisis management and have been very successful to keep our own operations up and running.

Is Siemens committed to take social responsibility fighting the pandemic?

Yes - just to mention a few examples, we support the production of medical supplies like ventilators with know-how (e.g. our software simulation tools). Furthermore, we provide access to production capacities and our supplier network. And we make equipment and medical supply donations to support communities and healthcare systems. In this context, we have set up a Covid-19 aid fund under the nonprofit organization Siemens Caring Hands e.V. with Siemens matching all funds donated by employees. Our Covid-19 relief fund and corporate citizenship projects total already ~€12.3m.

Financial Calendar



Aug. 6, 2020 3rd quarter FY20 financial results

Nov. 12, 2020 4th quarter FY20 financial results

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

Contact



Investor Relations

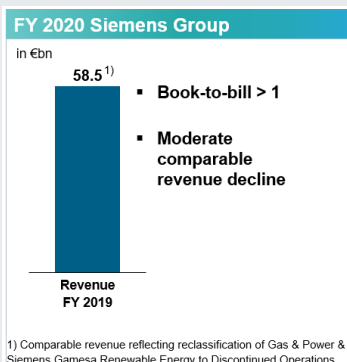
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What does Siemens expect for fiscal 2020?

Top line guidance revised, EPS guidance suspended



Assumptions

- COVID-19 pandemic began to impact financial results in FY Q2
- Expect even stronger impacts from pandemic in FY Q3
- Beyond FY Q3, macroeconomic developments and influence on Siemens cannot be reliably assessed – original guidance for FY 2020 no longer confirmed
- Expect FY 2020 moderate comparable revenue decline, with b-t-b >1. Decline in demand most strongly affects DI and SI.
- Completion of spin-off and public listing of Siemens Energy before end of FY 2020
- Expect spin-off gain within D/O, amount cannot yet be reliably forecast
- Expect material impacts on Net income from spin-off costs and tax expenses related to carve-out of Siemens Energy
- Guidance Basic EPS from Net income for FY 2020 suspended

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, prospectuses, 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 Report on expected developments and associated material opportunities and risks of the Annual Report, and in the Half-year Financial Report, which should be read in conjunction with the Annual Report. Should one or more of these risks or uncertainties materialize, events of force majeure, such as pandemics, occur or should underlying expectations including future events occur at a later date or not at all 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.

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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.