

Siemens Mobility

Sabrina Soussan & Michael Peter, CEOs | Karl Blaim, CFO
Siemens Capital Market Day | Munich, May 8, 2019

Notes and forward-looking statements



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We are the most diversified and vertically integrated mobility company

SIEMENS
Ingenuity for life

Key figures 2018: €11.0bn Orders | €8.8bn Revenue | 10.9% adj. EBITA | 34k employees | €33bn Backlog¹



Rolling Stock

Short-distance, regional & long-distance Rolling Stock, product & system solutions for Passenger and Freight Transport



Rail Infrastructure

Products & solutions for Rail Automation and Rail Electrification



Intelligent Traffic Systems

Solutions for Intelligent Traffic Management



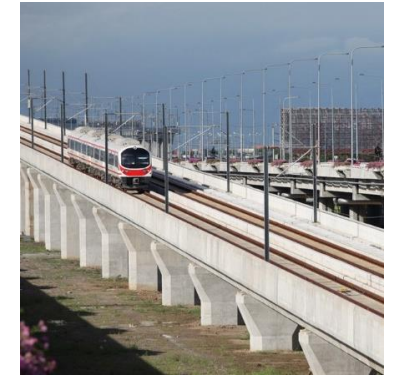
Customer Services

Services for Rolling Stock and Rail & Road Infrastructure, throughout the entire lifecycle



Intermodal Solutions

Apps & backend systems for passenger information, booking, payment and management of data, infrastructure & fleets



Turnkey Projects

Complete rail solutions integrating the entire portfolio

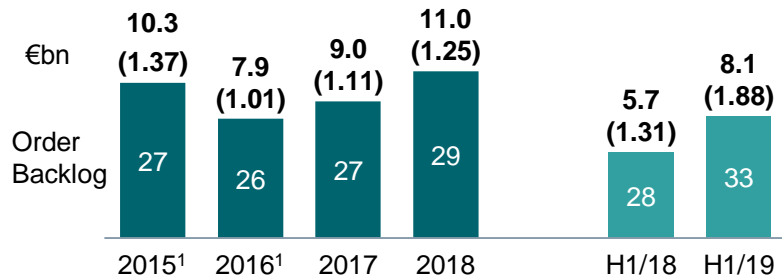
¹ As reported H1 2019

We deliver attractive growth at industry leading margins



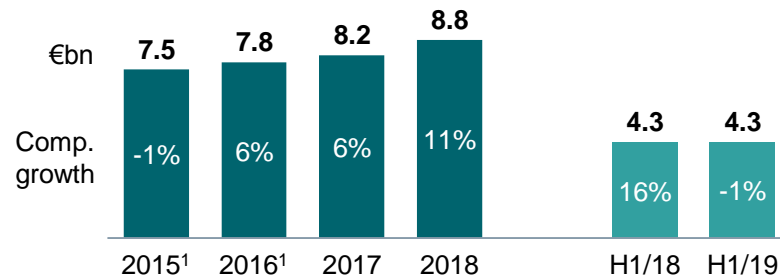
Substantial growth

(Orders (B-t-B))



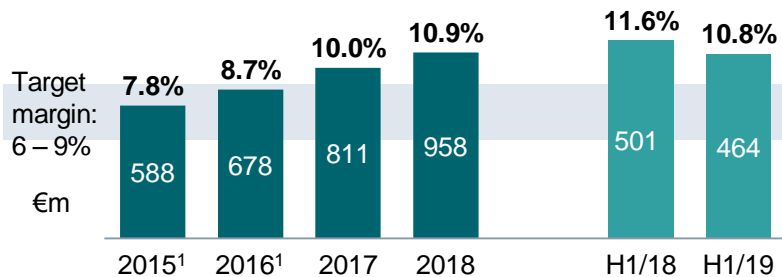
Flawless execution

(Revenue)



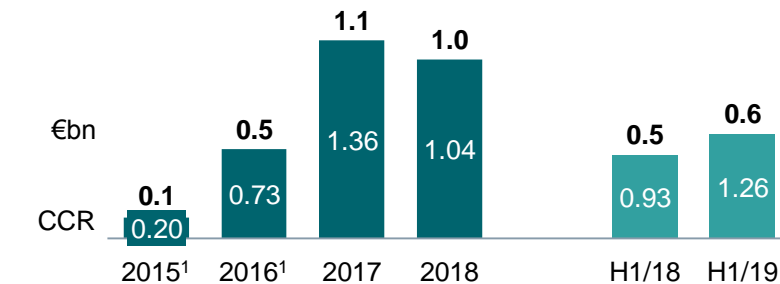
Industry leading profitability

(Adjusted EBITA margin, in%)



Stringent cash management

(Free cash flow)



- ✓ **Strong and sustainable growth** reaching a current backlog of €33bn (H1/19)
- ✓ **Best-in-class risk assessment and management** supporting flawless execution
- ✓ **Continued innovation leadership secured by growing R&D investments** totaling more than the next 2 biggest competitors in the market combined²
- ✓ **Stable margin performance throughout 20+ quarters** with industry leading profitability
- ✓ Stringent contract and asset management drive **solid cash conversion**
- ✓ **Attractive return on capital employed (ROCE)** accretive to Siemens Group due to **low asset intensity**

A distinct performance-oriented culture

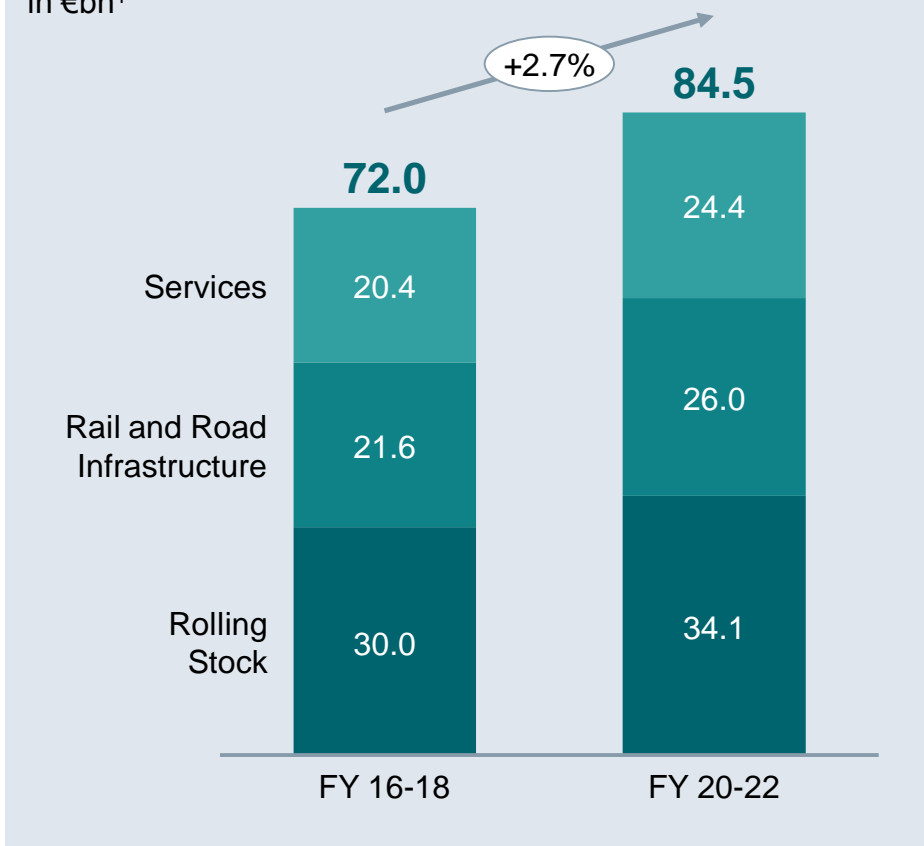
A passionate team with a unique mindset of loyalty, dedication & innovation

¹ As reported (excl. TD business) – not comparable to FY17 – 19; ² As reported per competitors' annual reports for their respective FY18

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In a vibrant B2B market, we can differentiate ourselves increasingly from our competition

Siemens Mobility market segments,
in €bn¹



Global Megatrends

- Climate change
- Urbanization
- By 2050, urban transport grows by 100% and goods transport by 200%

Seamless and connected mobility driven by digitalization

Shift towards digital solutions

- Demand responsive transport and automated train operations
- Cloud instead of hardware
- Country-wide infrastructure solutions

Customer Value Creation

- Increase of lifecycle contracts
- Value Creation through connectivity and data analytics
- Cyber-security

Market Barriers

- Safety relevant national certification and regulation

¹ Siemens Mobility accessible market, adjusted to own portfolio. Based on UNIFE World Rail Market Study 2018 (Rail) and ITS Market Study

Worldwide successes reward customer intimacy

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**Via Rail
Canada**
€650m
32 bi-directional
trainsets +
15 y. services
and spare parts



**London
Underground**
€1.5bn
94 metro trains
+ service



Wiesbaden
Digitalization
of traffic flow



**S-Bahn
Hamburg**
Automatic Train
Operation over
ETCS



**HEAT
Hamburg**
Integration
of driverless
busses in
Hamburg's
Hafencity



**Sapsan
Russia**
Over 8 million
kilometres



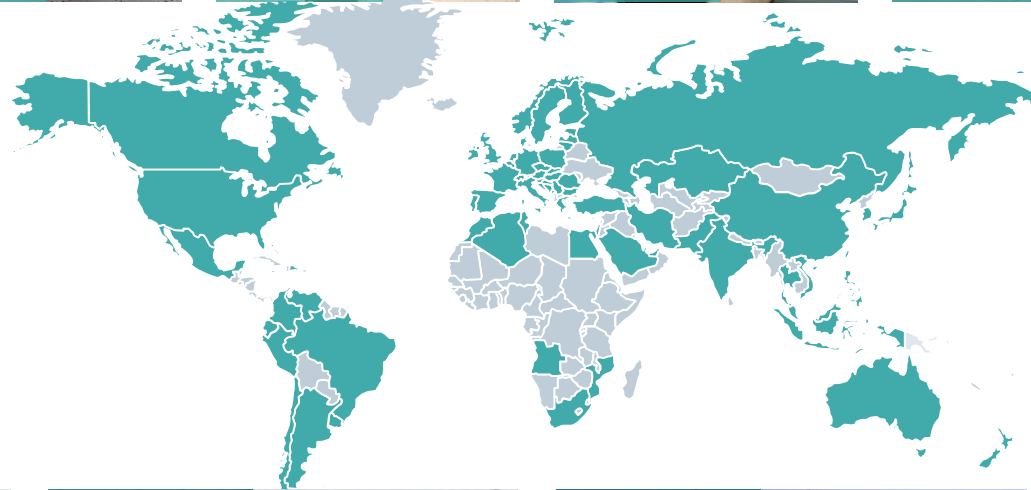
TPS Online
Liikennevirasto
Finland and
CSX USA
Real Time
online Traffic
Management

Liikennevirasto

Amtrak
€744m
75 Charger
diesel-electric
locomotives and
service



**Light Rail
North
America**
Over 1,800
vehicles sold



**Digital depot
Dortmund**
€800m
32 years
maintenance for
82 trains



**Desiro HC,
Israel**
€900m
60 double-
decker trains
and service



**Automated
People
Mover**
Bangkok Airp. 6
two-car trains,
1km long track,
4/tracks



Mireo
Established
platform in the
German market
(Rhine valley,
Rhine-Neckar,
Augsburg, etc.)



BaneNor
€800m
One country one
interlocking –
appr. 4,200 track
kilometers and
375 stations



Vectron
Over 900
locomotives sold
to more than 42
customers



Velaro Novo
More space;
less investment,
mass, energy
consumption,
maintenance



**Asset
Management
Platform Rail
Singapore**
€12m
1st Holistic
Railigent platform
for all assets



Thameslink
Successful
introduction
of Desiro City



Leveraging our leading position in a vibrant market



I

We operate in a non-cyclical market with stable growth rates

II

This market offers great opportunities for differentiation

III

With our innovation & digitalization leadership, we are uniquely positioned to outgrow the market

IV

We have sustainably executed our projects at market-leading margins & cash conversion rates

V

We provide visibility through our significant backlog

VI

We have a highly committed and motivated workforce & management team

#PassionForMobility

MindSphere Amplifies Growth

Stephen Bashada, Digital Industries

Vinod Philip, Gas and Power

Sabine Erlinghagen, Smart Infrastructure

Siemens Capital Market Day | Munich, May 8, 2019

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The cloud-based, open IoT operating system from Siemens



Ingenuity for life

Applications

Powerful industry solutions with advanced analytics



Develop robust industrial IoT solutions faster with global scalability

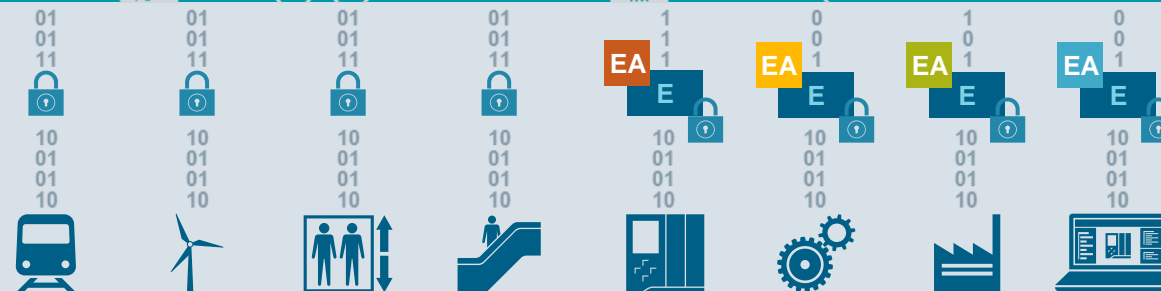
MindSphere

Edge Management

Edge Device Management, Edge App Management, and Edge App Store

Connectivity

Connect products, plants, systems, machines and enterprise applications



Edge Apps

Siemens, partner (OEM),
and 3rd-party Edge Apps

Edge Devices

Multiple enabled devices hosting the Industrial Edge platform

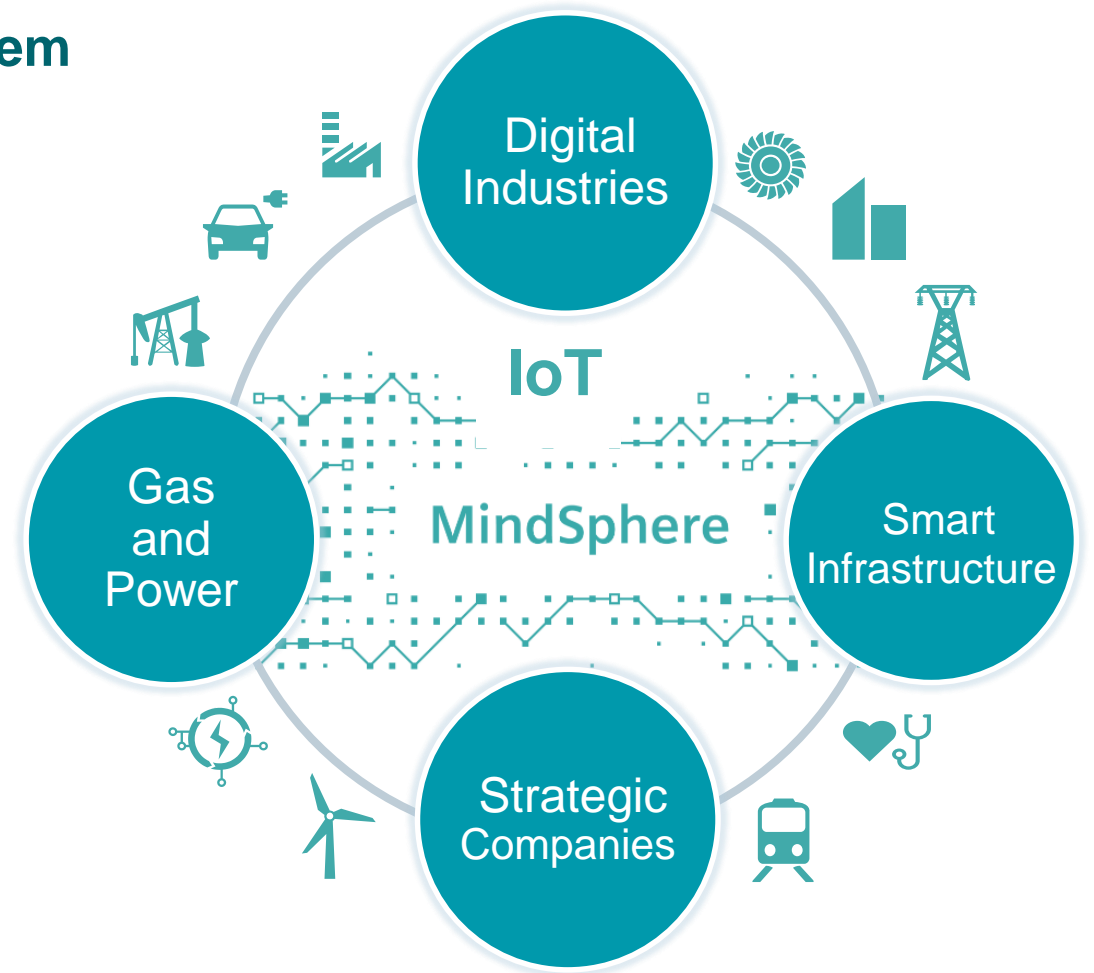
Siemens knows IoT and Connected Devices Powered by MindSphere

SIEMENS
Ingenuity for life

MindSphere World Growing worldwide



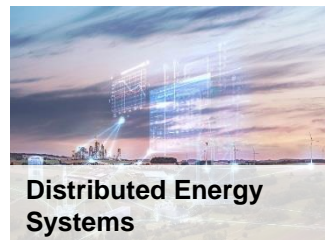
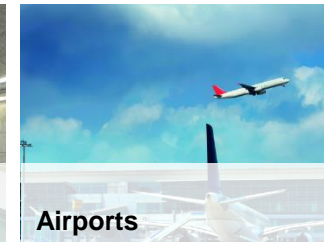
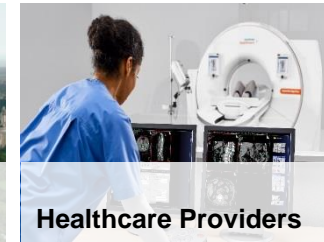
Global Partner Ecosystem Over 300 and growing



MindSphere Application Centers are built for speed and scale

Co-creating solutions with customers

SIEMENS
Ingenuity for life



20

Industry verticals

68

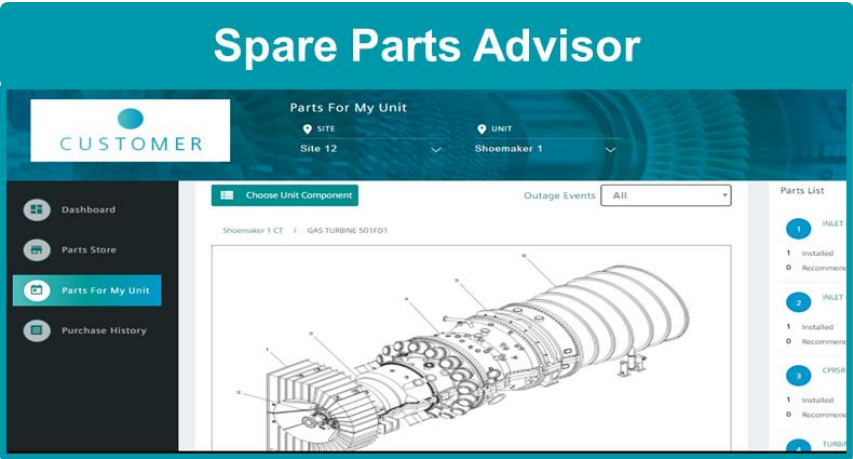
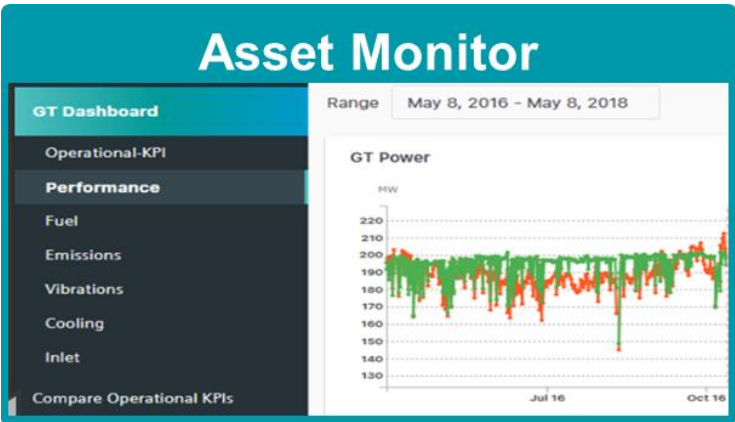
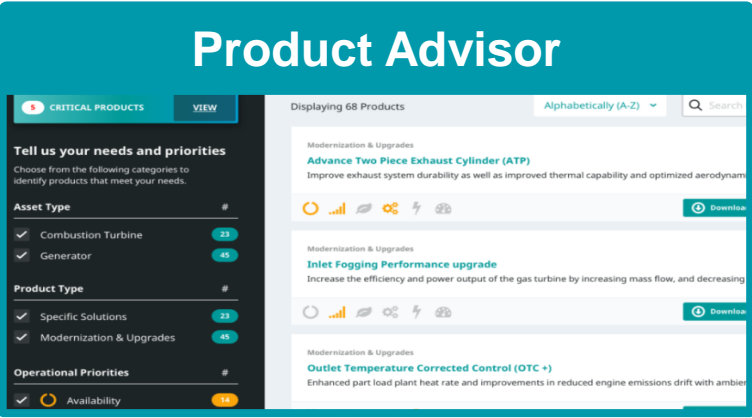
Locations in 17 countries
across the globe

1000+

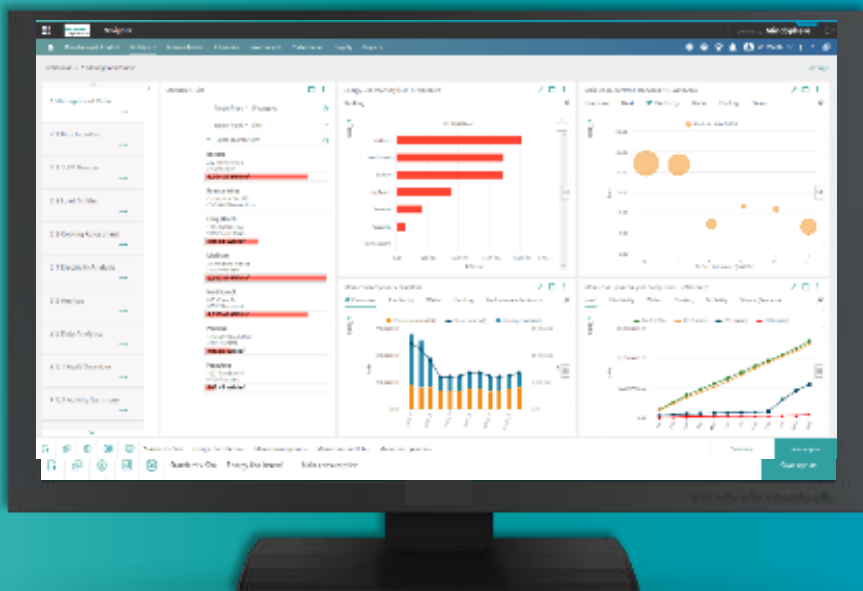
Software developers, data
specialists and engineers

MindSphere @ Gas and Power

Co-creating unique customer value within our Service Fleet



Smart buildings – “Navigator” platform joins the MindSphere ecosystem



Navigator – The leading energy and asset management platform



>3,500
Buildings



>80,000
Buildings

Now powered by MindSphere
Unleashes additional customer value



mendix

Creating tailor-made insights



Enabling unique use cases
as part of the ecosystem

**For smart buildings, smart cities,
and a range of infrastructures**

Volkswagen to cooperate with Siemens for Industrial Cloud focused on Customer Success



Connecting 122 plants using Siemens MindSphere, Automation and Industrial Edge to increase productivity

Volkswagen Industrial Cloud to be jointly developed with AWS and Siemens

“
In Siemens, we have secured a strong partner with outstanding digitalization and industry expertise

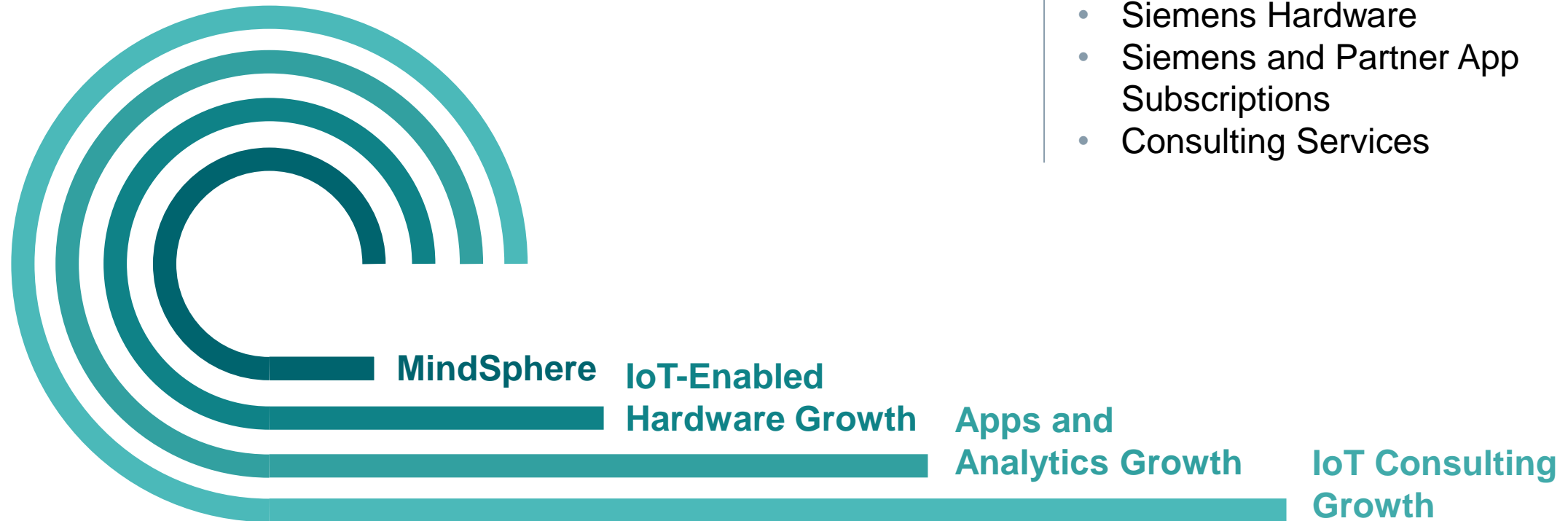
Oliver Blume, Member of the Board of Management of Volkswagen AG

MindSphere Amplifies Growth

MindSphere amplifies growth by laying the foundation for capturing the wider Industrial IoT software/services market and defending current markets

Example Transaction

- MindSphere Subscription
- Siemens Hardware
- Siemens and Partner App Subscriptions
- Consulting Services



Siemens in China

Lothar Herrmann, CEO Greater China
Siemens Capital Market Day | Munich May 8th, 2019

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Siemens China is driving tangible impact in China



Power sustainable growth



Shape smart cities



Enable digital transformation



Foster Internet of Things



33,000+ employees



60+ sales offices



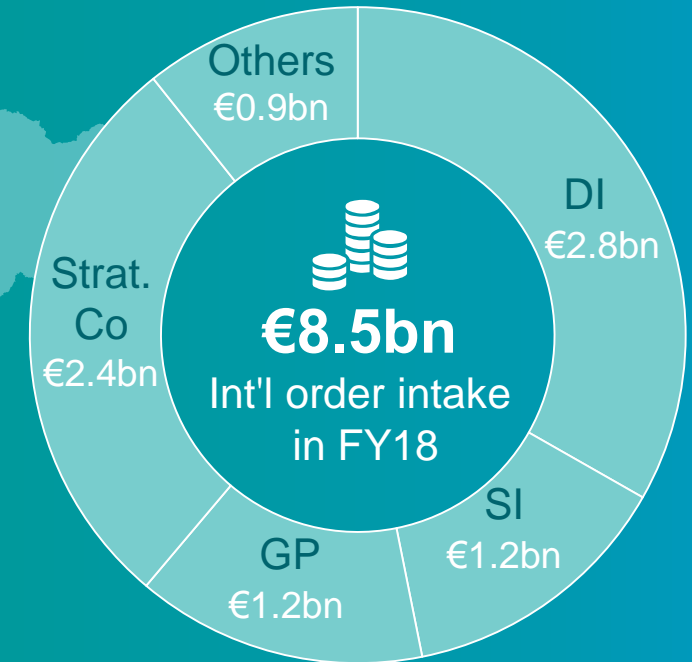
40+ factories



20+ R&D hubs



61 NPS
(+65% since FY14)



- Outperformed market
- +24% order intake since FY16

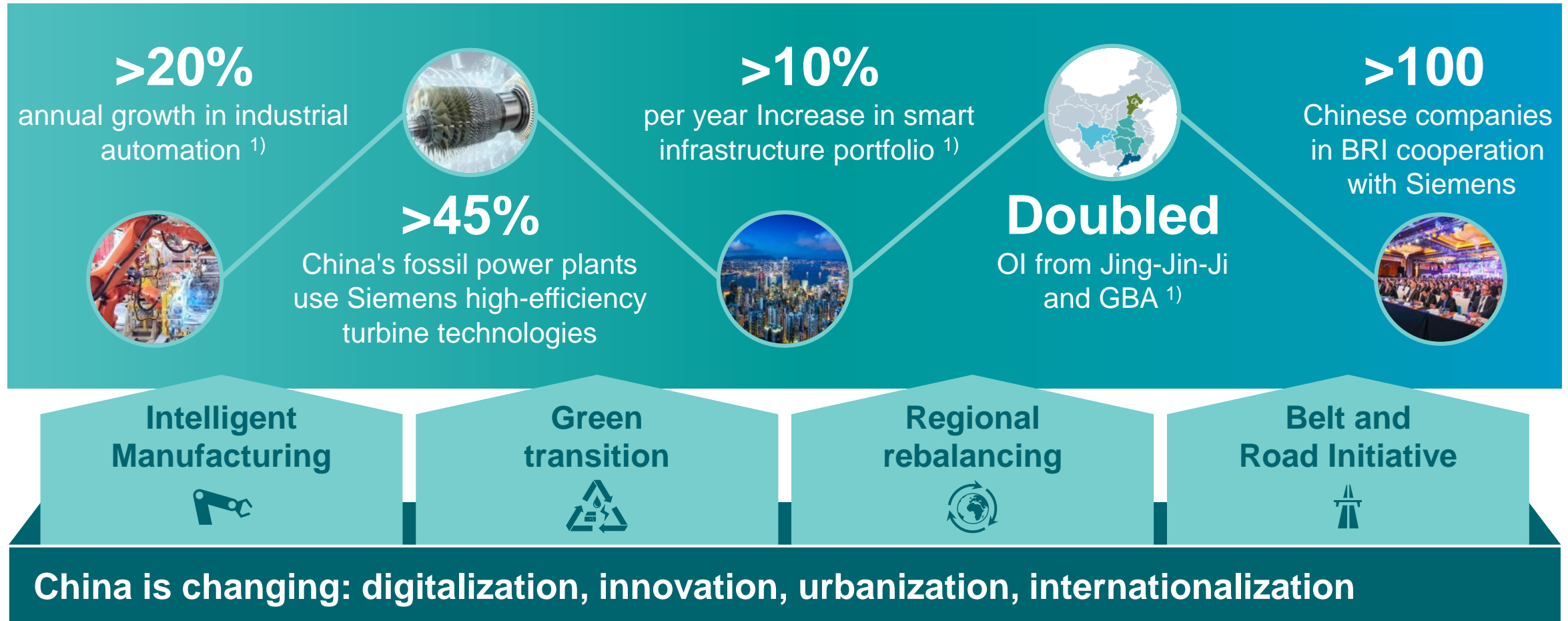
Note: All figures relate to P.R. China FY18 as of Sep 30, 2018

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We are realizing our opportunities



Key China market trends and Siemens impact



Business growth ratios on comparable base; **OI**: Order Intake **Jing-Jin-Ji**: Beijing – Tianjin – Hebei Integration **GBA**: Greater Bay Area **BRI**: Belt and Road Initiative ¹⁾ FY16 – FY18

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We are shaping our markets by local innovation and digitalization



Key initiatives

25% p.a.

Digitalization
business growth

50%

Efficiency gain for CASIC GSA
via digital enterprise approach



Launched in China

9.6GW

Virtual power plant
for CR Power



4 DEC for green-
and brown-field
digitalization



6 MindSphere
Application Center
locations



200+ IoT experts
ramped up



Cyber Defense
Center



MindSphere with
Alibaba Cloud



MoU with NDRC
& established
BRI office



Low Voltage
Motors HQ shift
to China

Digitalization

Innovation

Partnership

Entrepreneurial Freedom

- Productivity gain ¹⁾
- Project execution excellence ²⁾

> €1.1bn

35 Quarters

of gross margin gain



Lean company

- Support function productivity
- Organization streamlining
- Internal digitalization



DEC: Digitalization Experience Center **MoU:** Memorandum of Understanding **NDRC:** National Development and Reform Commission **BRI:** Belt and Road Initiative

CASIC: China Aerospace Science & Industry Corporation **GSA:** Guiyang Space Appliance **CR Power:** China Resources Power Holdings ¹⁾ FY14 - FY19 Q1 ²⁾ As of FY19 Q2

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Focus

**We capitalize on China's key investment fields:
intelligent manufacturing, regional rebalancing, green energy & going global**

Adapt-
ability

**We shape our markets by local innovation & digitalization:
+25% p.a. digital business growth**

Account-
ability

**We create impact for Siemens in China and beyond:
€3.4bn since FY14 along the Belt & Road**

An aerial view of a city skyline at sunrise, with a large teal semi-transparent banner across the bottom. Overlaid on the image are digital elements: a large tablet showing a Siemens dashboard with charts and data, a smaller tablet to the right, and various icons (lightning bolt, gauge, gear, etc.) connected by lines, suggesting a smart city or industrial IoT theme.

Siemens Financial Services

Roland Chalons-Browne, CEO

Capital Market Day I Munich, May 08, 2019

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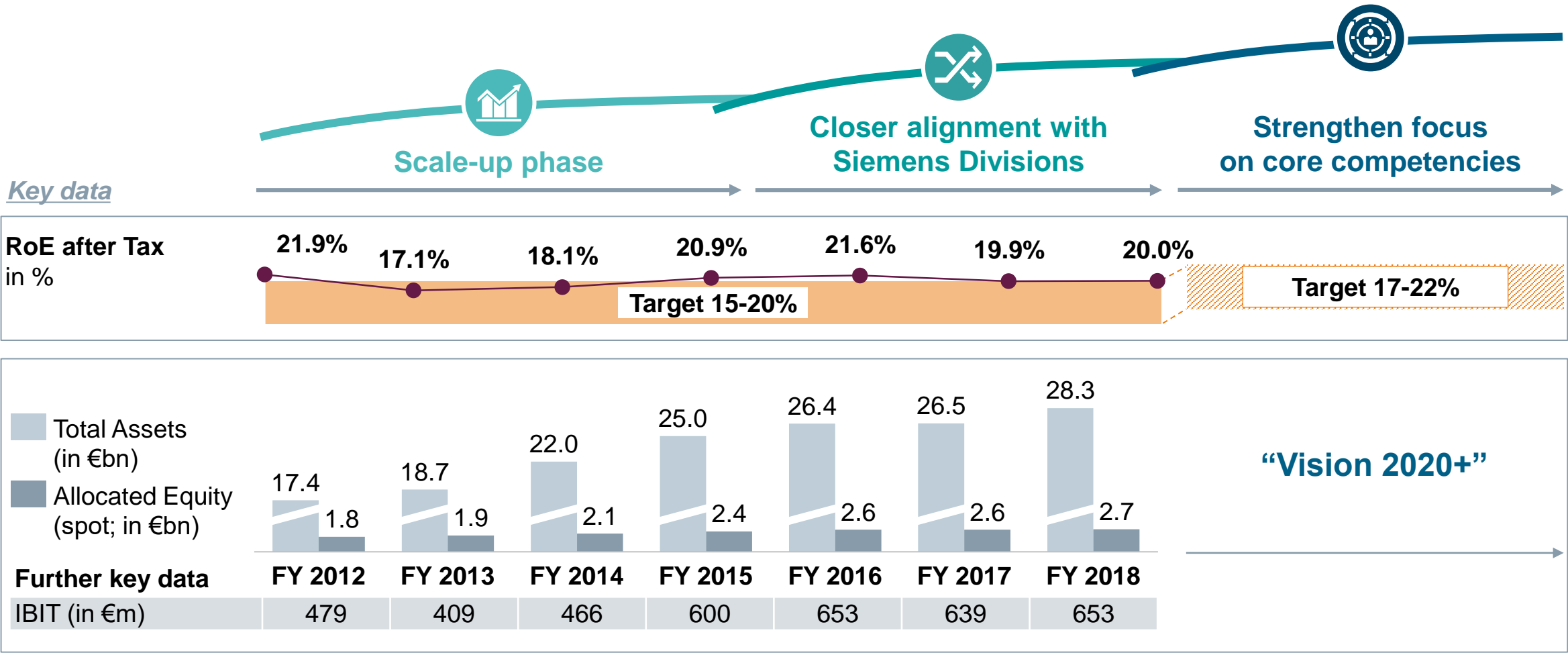


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Strong track record of financial performance and commitment to deliver consistent RoE in 17-22% target range



Focus on strength as pure play Financial Service Company to drive Siemens' top line growth, while maintaining sustainable profit

SIEMENS

Ingenuity for life

“Vision 2020+” - where we will further excel

Business continuity



- ✓ Position of strength with **>20 years of experience in arm's-length captive financing**
- ✓ **Remain strong partner with Debt and Equity investments**, providing full support and transactional know-how
- ✓ **Continue** executing on **Preferred Financing Partner Agreements** with **Strategic Companies**



What

- ✓ **Captive sales support as key differentiator** for Siemens, enabling **top line growth** for **Operating and Strategic Companies**
- ✓ **Sustainable profit contribution**
- ✓ **Business at market terms** (at-arm's-length)
- ✓ **Prudent risk management**
- ✓ **Integrated go-to-market strategies**
- ✓ Contribution to **business model innovation**



How

- **Focus on Siemens markets and domains**
- **Increased adaptability, speed and focus** to respond to the needs of **Operating and Strategic Companies**
- **Entrepreneurial and service oriented mindset**
- Using its **industry knowledge & proximity** to provide **best-in-class financing solutions**

SFS captive sales support as key differentiator for the Group, enabling top line growth for Siemens' OpCos and StratCos



Selected financing solutions

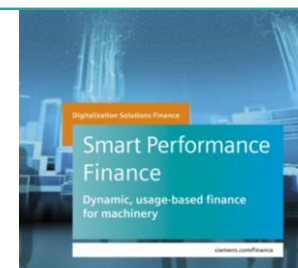
Example

Financing Industrie 4.0:

Enabling digital transformation and Business Model Innovation for Siemens' core business

WFL Millturn Technologies (Germany):

With Smart Performance Finance powered by MindSphere, SFS offers OEMs and manufacturers an innovative pay-for-performance model and an entry into the IoT world

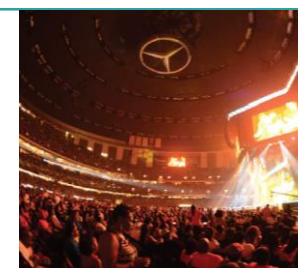


Energy Savings Performance Contracting:

Financing energy-efficient building technology without incurring capex costs and benefit from guaranteed energy savings

Mercedes-Benz Superdome (USA):

Siemens was chosen to implement improvements to the stadium's lighting, temperature systems and energy management platform – SFS supported with a municipal lease



Equity Investment:

Equity participations provide customers access to Siemens technology and demonstrate own commitment

Poovani Wind Power Project (India):

SGRE is involved in installing the entire infrastructure for a wind farm. SFS took a 46% equity stake in the 200 MW wind project to electrify 155,000 homes – SFS' first wind farm investment in Asia

