

Strong team performance in challenging times – Strategy concept Vision 2020+ gains traction

Joe Kaeser, Roland Busch and Ralf P. Thomas
Press call for Q3 of fiscal 2020
Munich, August 6, 2020

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.

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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.

Joe Kaeser

President and CEO of Siemens AG

Q3 fiscal 2020

Orders

-7%*

Revenue

-5%*

Margin for Industrial
Businesses

14.3%

Earnings per share

€0.67

Free cash flow (all in)

€2.5 billion

Capital structure:
Industrial net debt /
EBITDA

1.7x

*On a comparable basis, excluding currency translation and portfolio effects

While mastering COVID-19 challenges, Siemens is accelerating the company's digital transformation

Protecting employee health and safety and maintaining business continuity



Implementing new ways of working



Being a close and reliable partner for our customers



Ensuring robust supply chains



Focusing on profitability and liquidity



- Stringent execution of precautions
- SI partnership with Salesforce
- Boosted employee satisfaction
- Accelerated savings
- Seamless product and service delivery
- Digital customer events
- Intense collaboration with suppliers
- Using AI to monitor/minimize supply risks
- ~70% lower travel expenses in Q3 y-o-y
- Short-time work, flexible working hours
- Bonds worth about €4 billion (€/£) issued

Vision 2020+ strategy concept gains traction

Siemens Energy spin-off



99.36% approval rate at
Extraordinary Shareholders'
Meeting

Siemens Healthineers plans to acquire Varian



Transformational milestone;
financing secured

Digital Industries Software



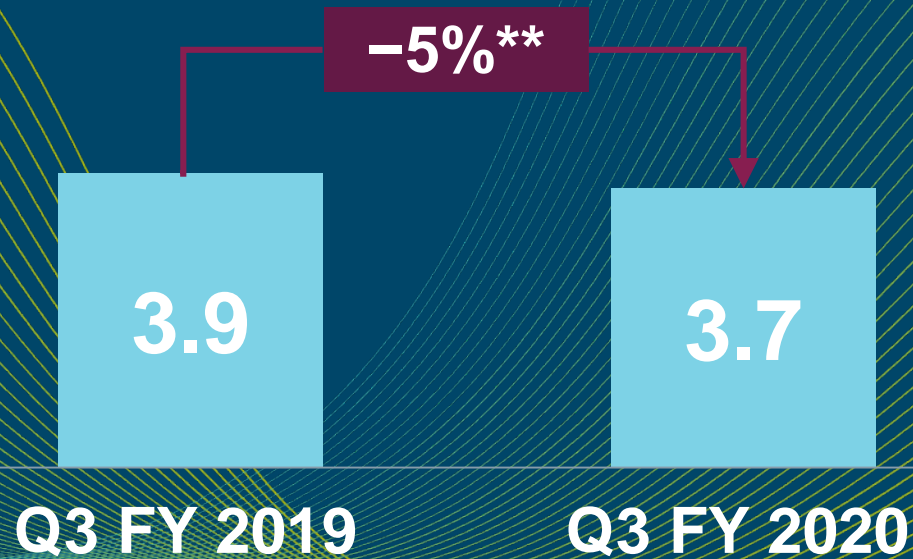
Partnership between two
industry leaders

Roland Busch

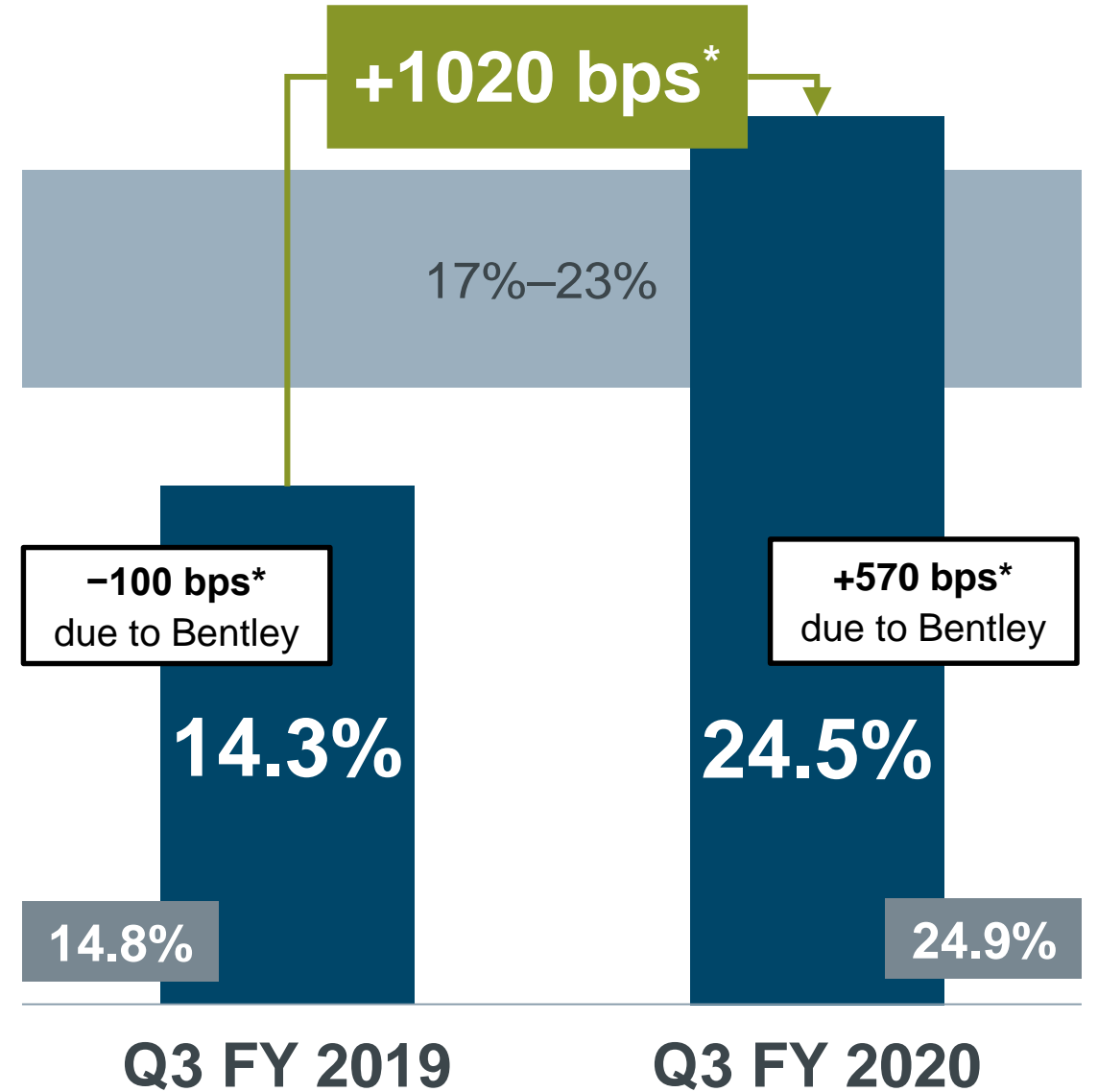
Deputy CEO as well as CTO and CHRO of
Siemens AG

Digital Industries

Revenue (in billions of €)



Profit margin (adjusted EBITA margin)



*Basis points Excluding severance charges

**On a comparable basis, excluding currency translation and portfolio effects
Press call for Q3 / FY 2020

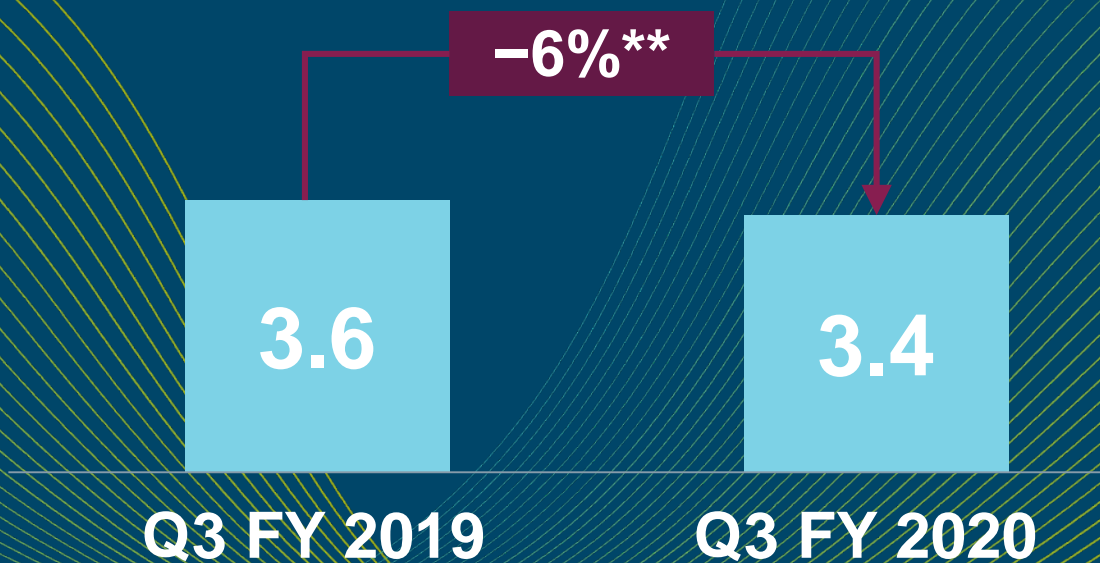


SIEMENS

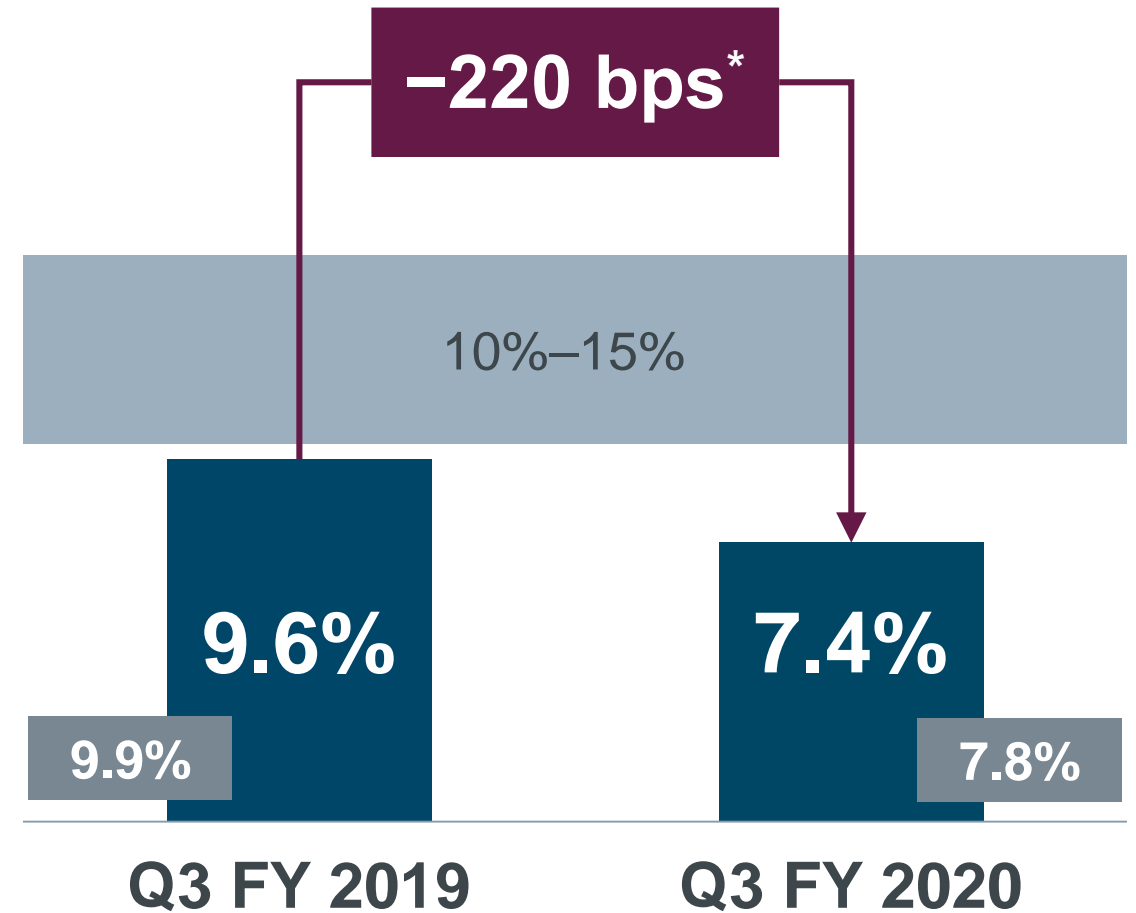
Ingenuity for life

Smart Infrastructure

Revenue (in billions of €)

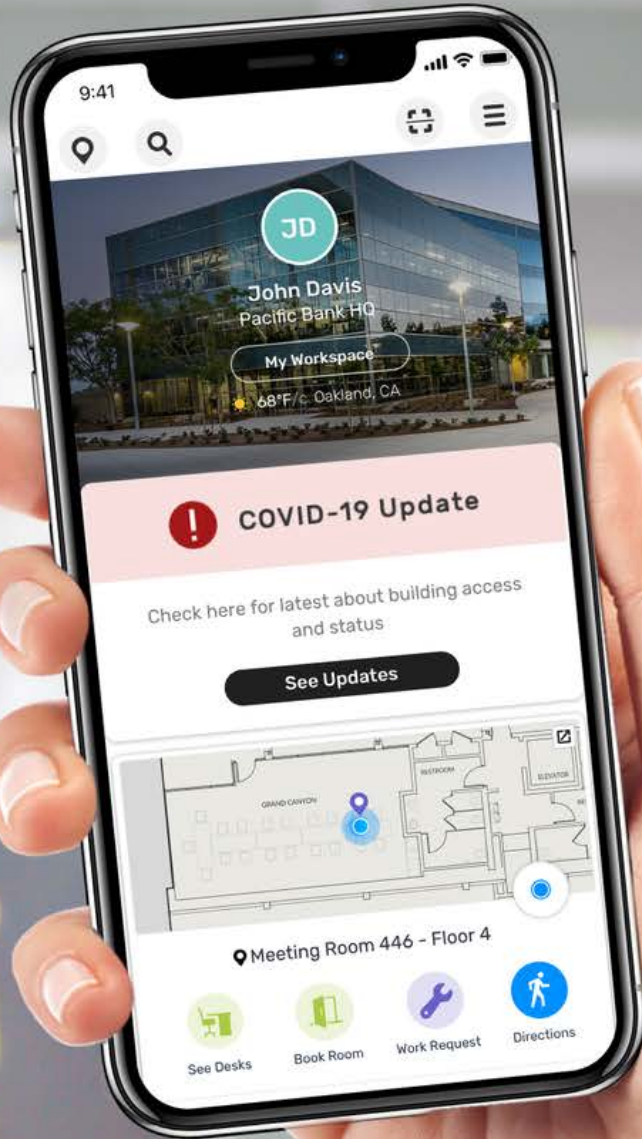


Profit margin (adjusted EBITA margin)



*Basis points Excluding severance charges

**On a comparable basis, excluding currency translation and portfolio effects



9:41



John Davis
Pacific Bank HQ

My Workspace

68°F / Oakland, CA



COVID-19 Update

Check here for latest about building access and status

See Updates



Meeting Room 446 - Floor 4



See Desks



Book Room



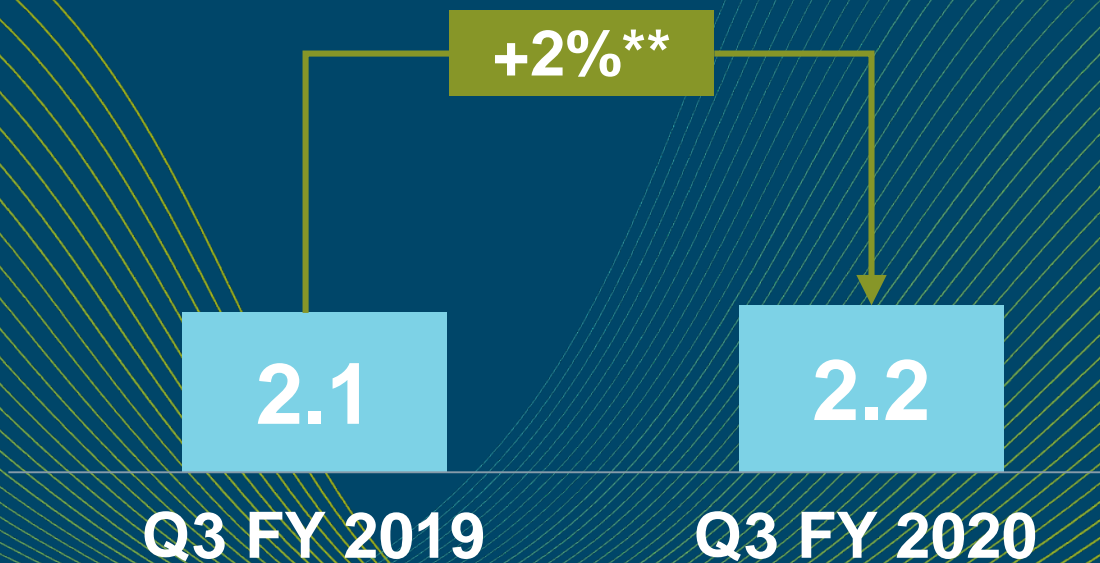
Work Request



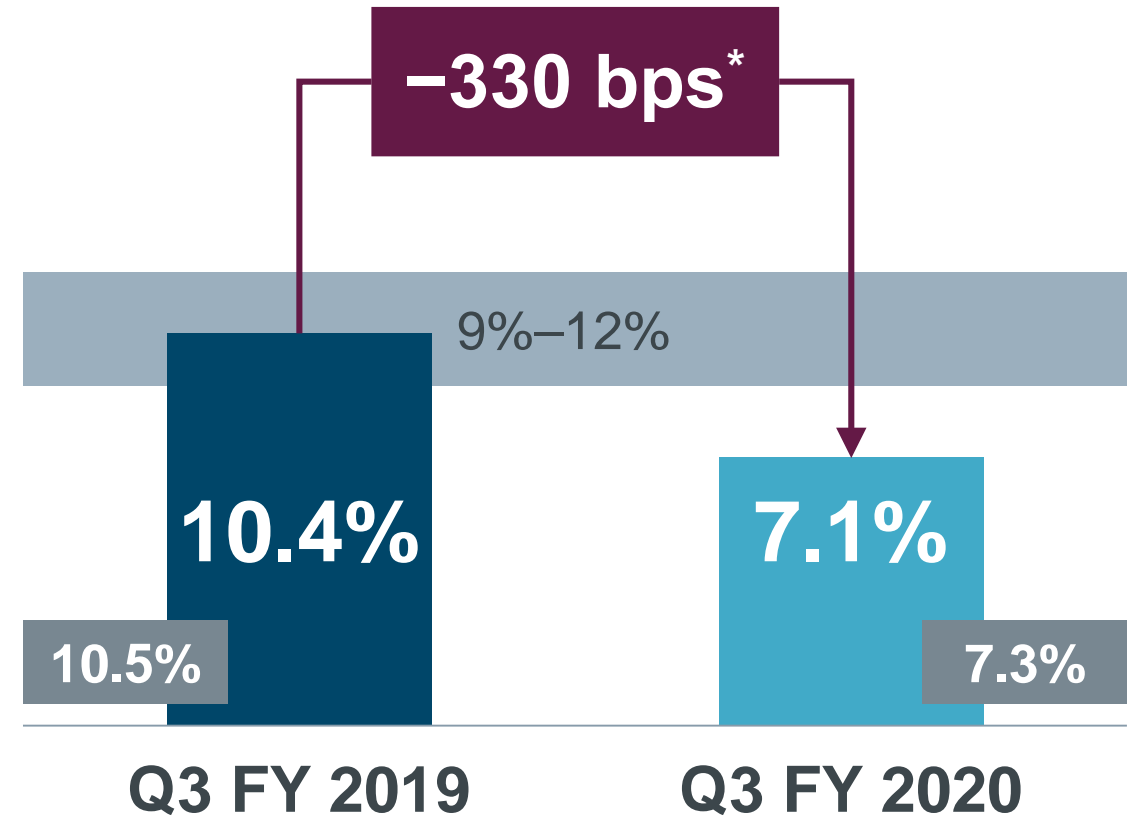
Directions

Siemens Mobility

Revenue (in billions of €)



Profit margin (adjusted EBITA margin)



*Basis points Excluding severance charges

**On a comparable basis, excluding currency translation and portfolio effects



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Competitiveness programs further accelerated

Q2 FY 2020

Update: Q3 FY 2020

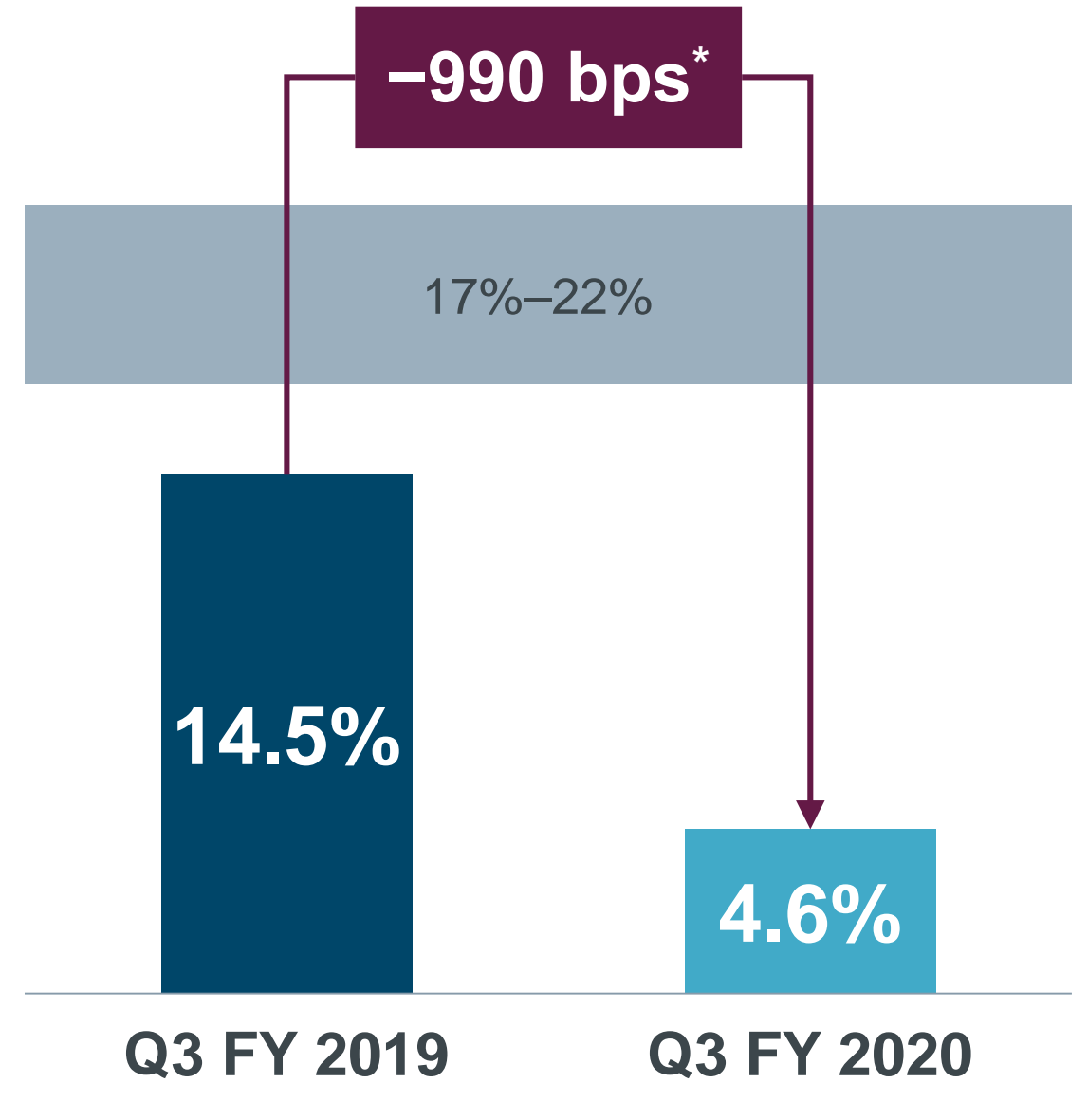
	Digital Industries	Smart Infrastructure	Digital Industries	Smart Infrastructure
Cost optimization at Operating Companies	~ €320 million by FY 2023 ~ €295 million by FY 2021	~ €300 million by FY 2023 ~ €180 million by FY 2021	~ €320 million by FY 2021	~ €340 million by FY 2023 ~ €190 million by FY 2021
Global Business Services	~ €90 million by FY 2021		~ €90 million by FY 2021	
Lean and effective governance	~ €500 million by FY 2023 ~ €300 million by FY 2021		~ €500 million by FY 2023 ~ €300 million by FY 2021	
€50 million to be delivered by Siemens Energy				

Ralf P. Thomas

CFO of Siemens AG

Siemens Financial Services

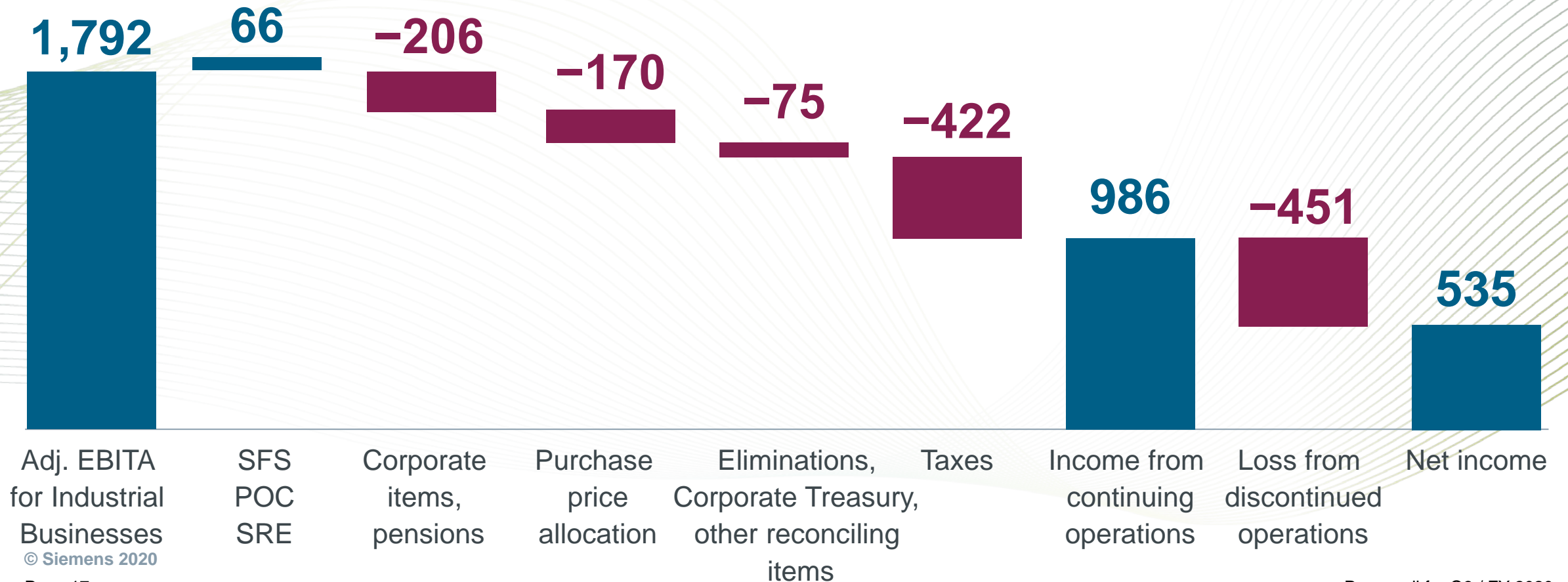
Return on equity
(after taxes)



* Basis points

Results outside the Industrial Businesses

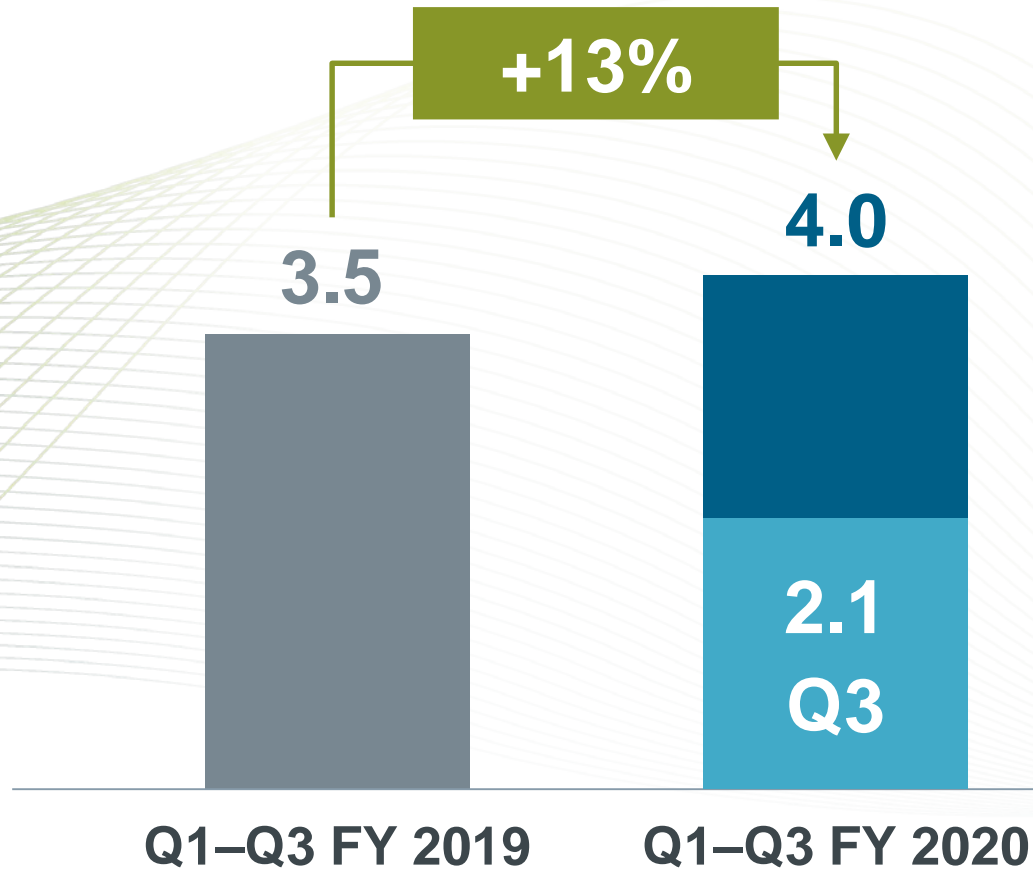
in millions of €



Significant free cash flow improvement despite coronavirus pandemic

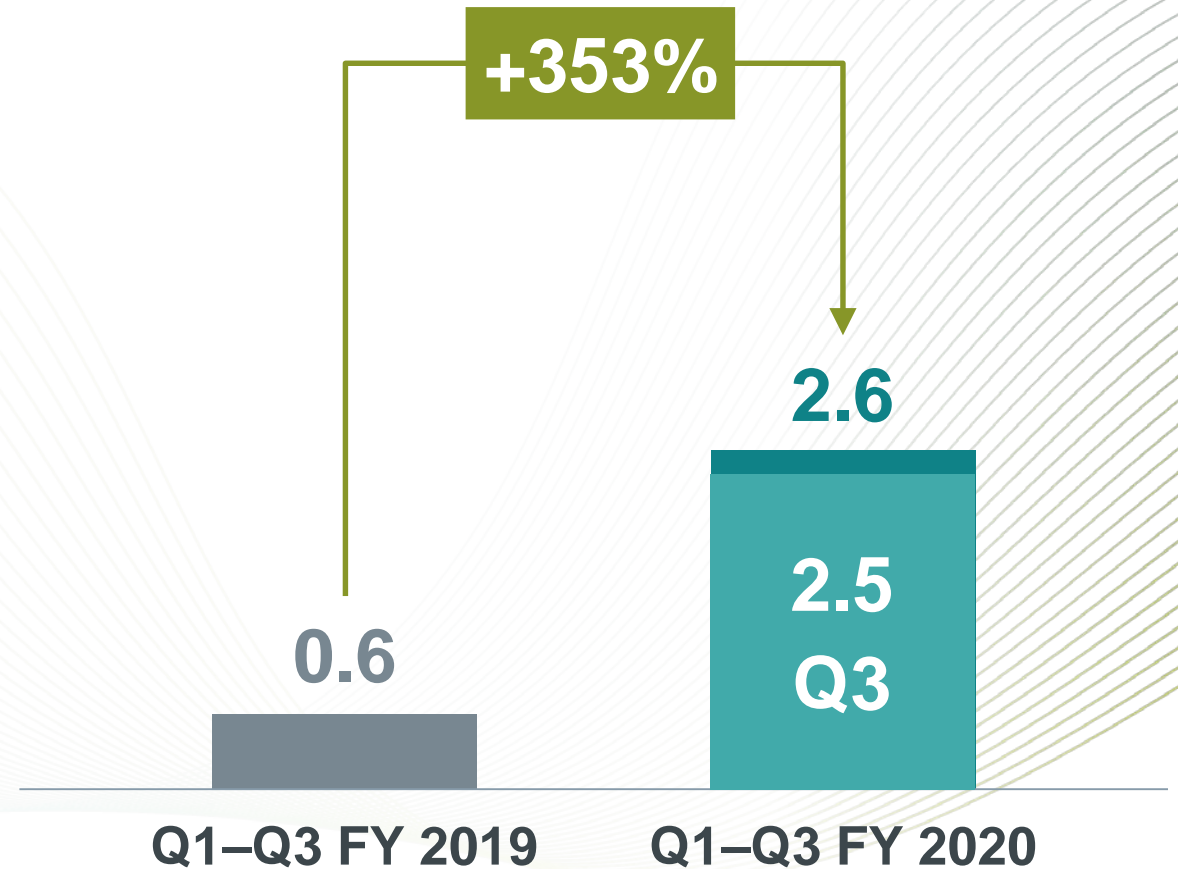
Industrial Businesses

in billions of €



All in

in billions of €



Rigorous execution of Siemens Energy spin-off



- Spin-off Report published
- S&P Rating: BBB, stable outlook
- Extraordinary Shareholders' Meeting approval > 99%

Siemens' stake in Siemens Healthineers to decline to about 72% from 85% Siemens intends to remain Siemens Healthineers' majority shareholder for the long term

Convincing strategic fit

- Acquisition of Varian supports Siemens Healthineers' equity story
- Creates global leader in healthcare with unique portfolio and capabilities
- Combining Siemens Healthineers' unique competencies with those of Varian will redefine cancer treatment

Financing

- Combination of equity and debt financing
- Intra-Group loan of up to US\$9 billion to Siemens Healthineers
- Siemens to place bonds on the market before transaction closes
- Increase in capital stock at Siemens Healthineers; Siemens' stake to decline to about 72% from 85%

Impact on Siemens

- Strong commitment to maintaining current credit rating and to deleveraging
- Convincing strategic fit and strong financial profile to create long-term benefits

Outlook for fiscal 2020: Top-line guidance confirmed, guidance for basic earnings per share still suspended

Siemens Group FY 2020

- Book-to-bill > 1
- Moderate decline in comparable revenue

€8.5 billion*



Revenue FY 2019

* Revenue on a comparable basis reflecting reclassification of Gas and Power and SGRE to discontinued operations

Assumptions

- Continued strong negative impact on our financial results in Q4 FY 2020
- Macroeconomic developments and their influence on Siemens still cannot be reliably assessed
- Expect moderate decline in comparable revenue for FY 2020 with book-to-bill > 1. Decline in demand most strongly affects Digital Industries and Smart Infrastructure
- Spin-off and public listing of Siemens Energy before end of FY 2020. Expect spin-off gains within discontinued operations; amount cannot yet be reliably forecast
- Material impacts on net income from spin-off costs and tax expenses related to carve-out and setup of Siemens Energy
- Currently refraining from giving guidance for basic earnings per share from net income

Questions and answers

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