



Targets achieved – Another outstanding year for Siemens

Joe Kaeser, Janina Kugel, Ralf P. Thomas
Annual Press Conference for fiscal 2017
Munich, November 9, 2017

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.

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Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

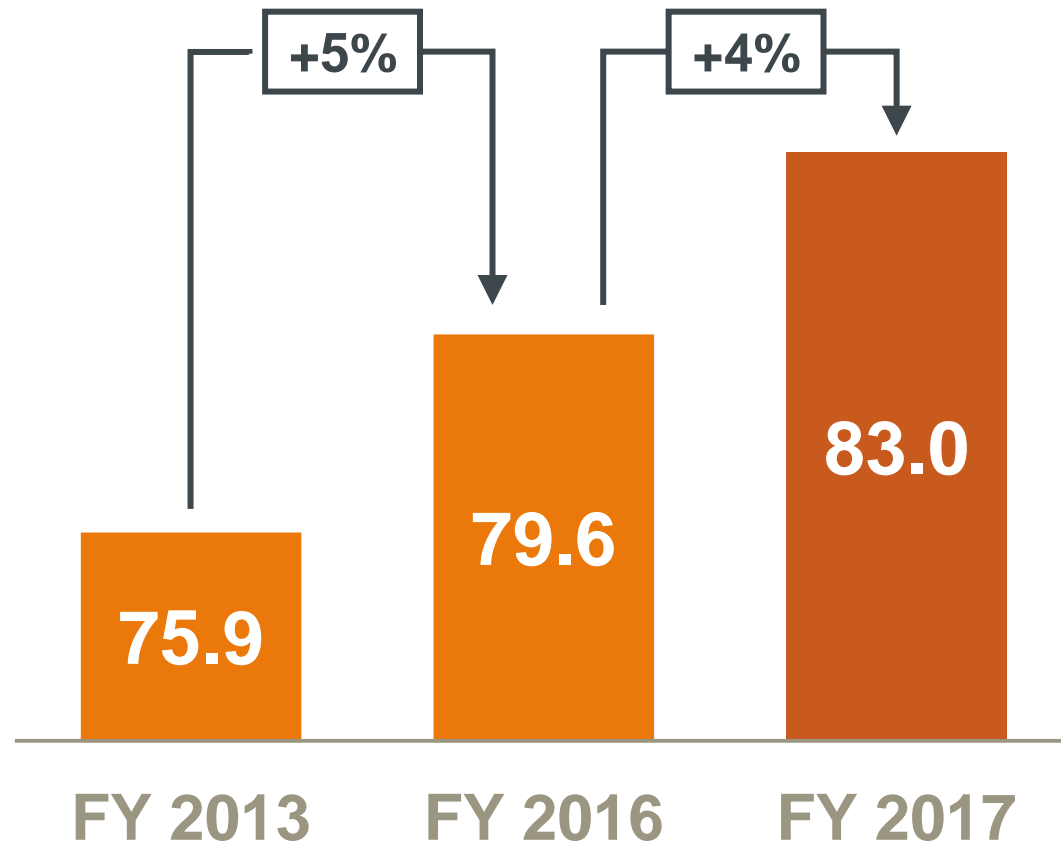
This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures 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.

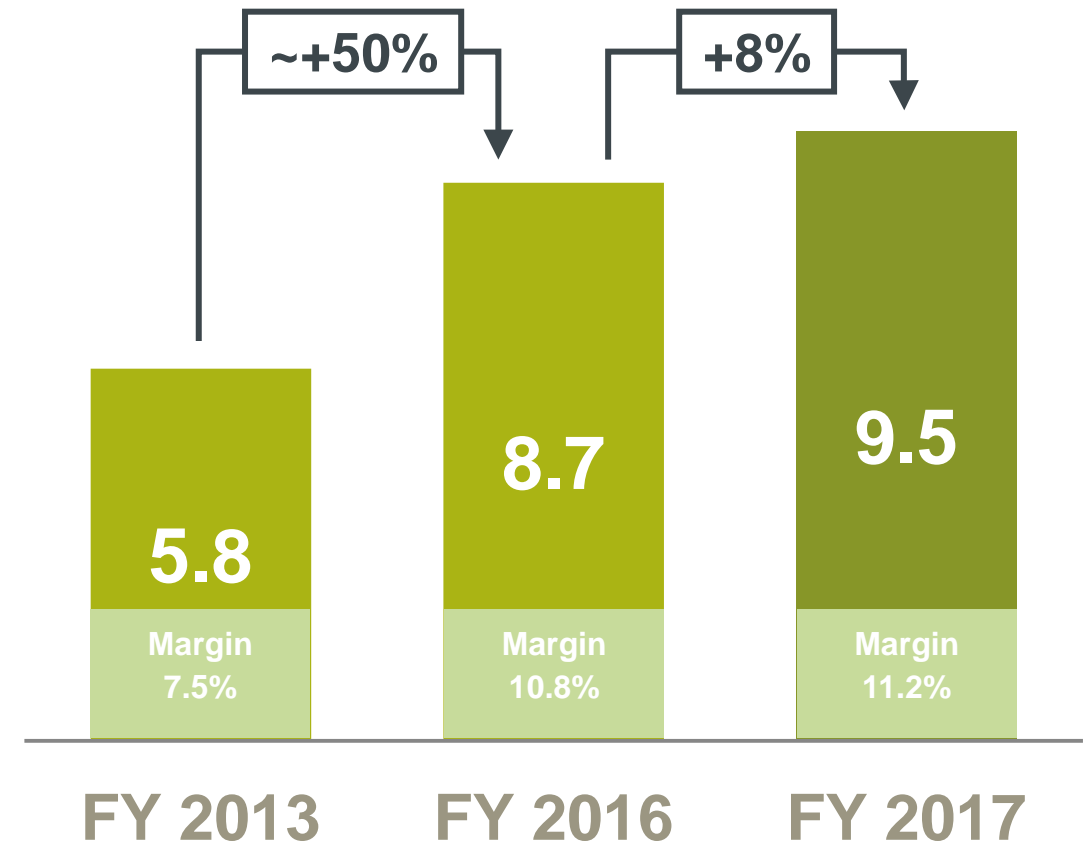
All information is preliminary.

Another outstanding year – Revenue growth trend continues

Revenue in billions of euros

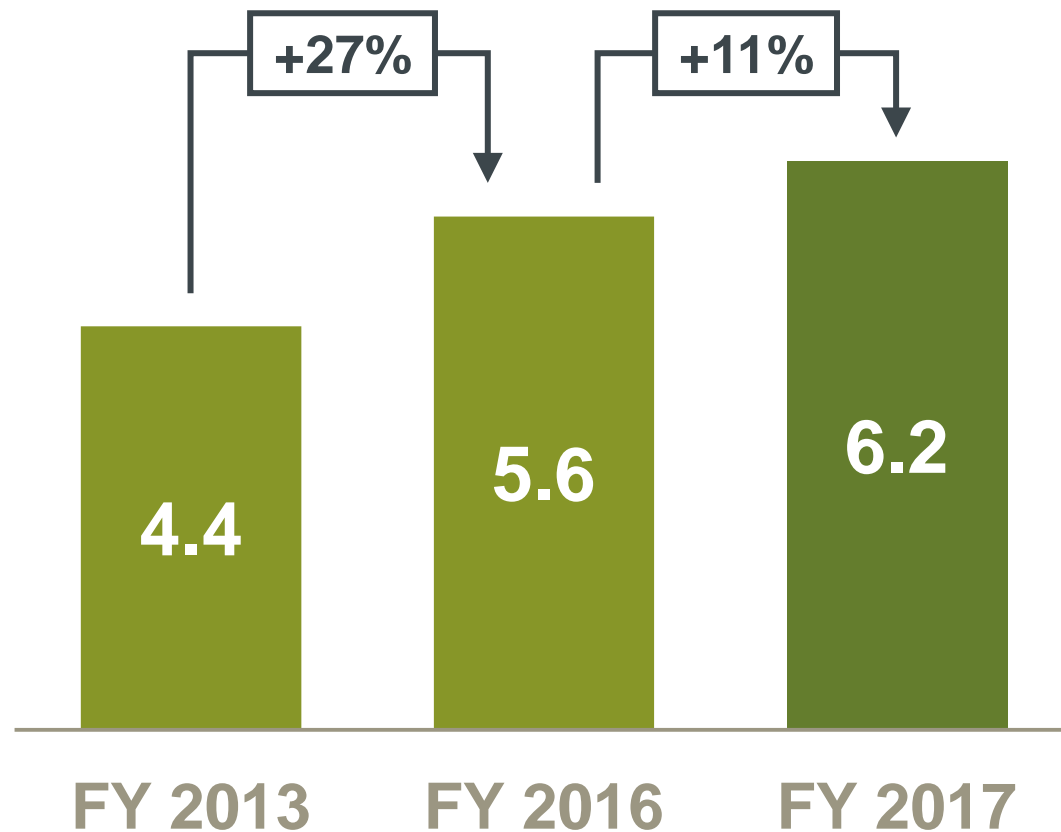


Industrial Business profit in billions of euros

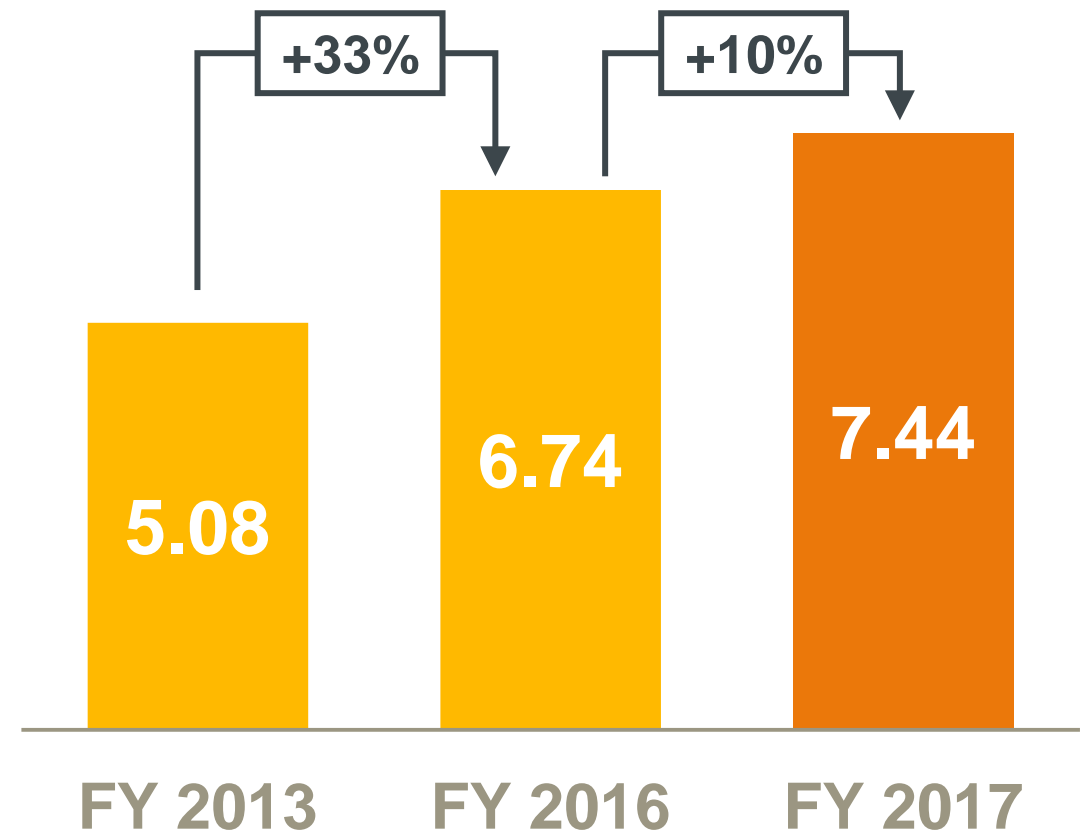


Another outstanding year – Double-digit growth in earnings per share

Net income in billions of euros



Earnings per share in euros



Guidance for fiscal 2017 raised twice – and met



	Guidance for FY 2017	Actual 2017	Met?
Revenue	Modest	+3%	✓
Book-to-bill	Above 1	1.03	✓
Industrial Business profit margin	11% – 12 %	11.2%	✓
Earnings per share	€7.20 – €7.70	7.44	✓

Setting the strategic course for renewable energies, mobility and healthcare technology



- Combined revenue €11 billion
- Combined order backlog €21 billion
- Combined installed base of 83 gigawatts
- Annual synergies of at least €230 million three years after closing



- Combined revenue €15.3 billion
- Combined order backlog more than €60 billion
- Annual synergies of €470 million beginning in fourth year after closing



- Revenue: €13.8 billion
- R&D expenses of more than €1 billion per year
- Schedule for public listing: first half of calendar year 2018

SIEMENS Gamesa
RENEWABLE ENERGY





SIEMENS ALSTOM

Siemens Healthineers – Clear path to IPO

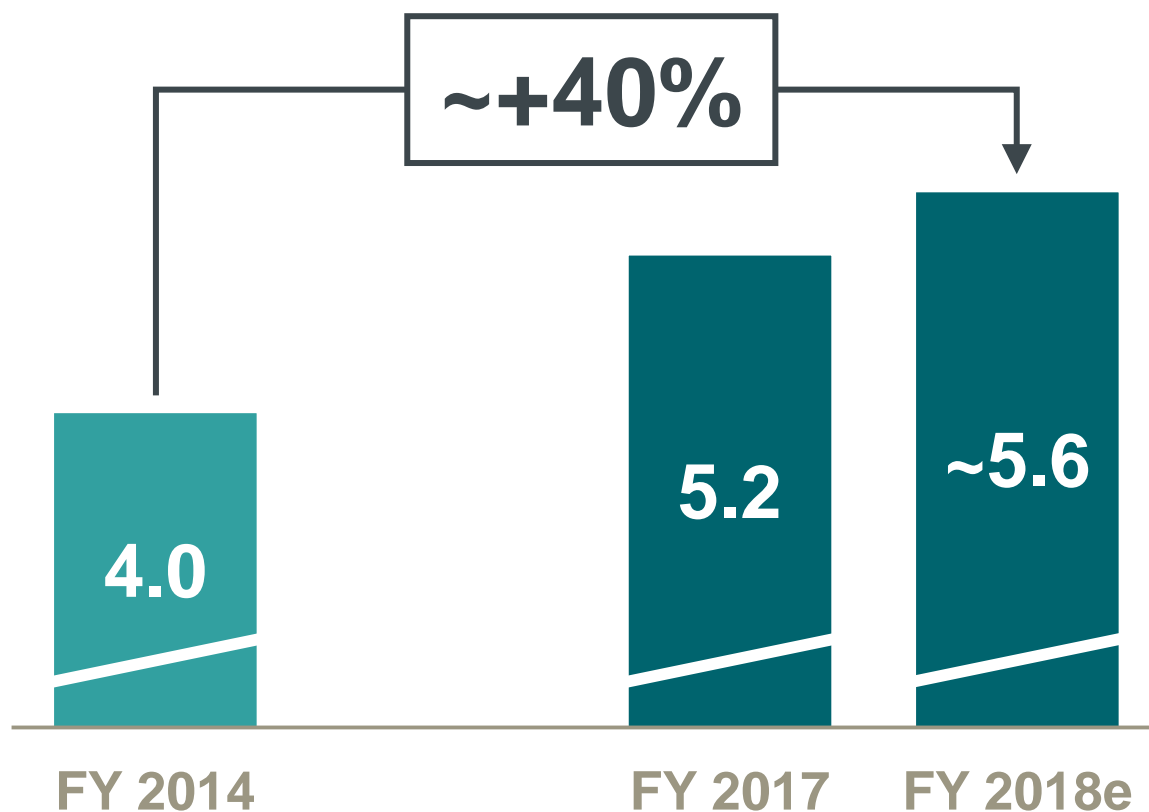


- ✓ **Healthineers Strategy 2025 and stringent implementation plan established (8/2017)**
- ✓ **Decision to go public (Q4 FY 2016)**
- ✓ **Significant new product launches gain traction in the market**
- ✓ **Atellica Solution launched (Q4 FY 2017)**
- **Combined financial statements and prospectus preparation**
- **Intention to float announcement**
- **Siemens Healthineers IPO (H1 calendar year 2018)**

Clear increase in funds for innovation –

Focus sharpened

Spending for research
and development
in billions of euros



SIEMENS

Ingenuity for life

Cybersecurity
Power electronics
Autonomous robotics
Additive manufacturing
Distributed energy systems
Software systems and processes
Data analytics, artificial intelligence
Connectivity and edge devices
Simulation and digital twin
Blockchain applications
Connected (e)mobility
Future of automation
Energy storage
Materials

Successful execution of digitalization strategy – The lead over competitors is growing



Revenue FY 2017

€5.2 billion

FY 2017 growth rate for
Siemens software, digital services

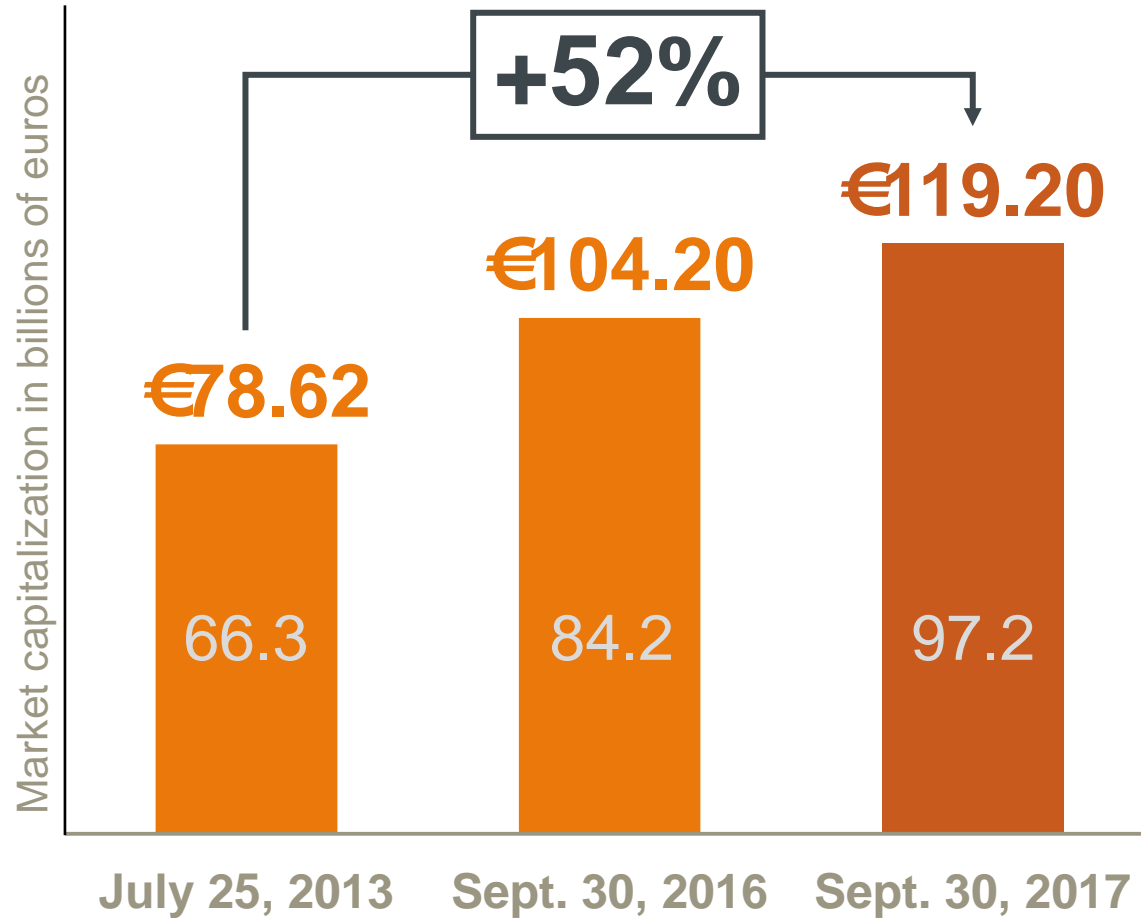
+20%



Vision 2020 implemented as planned – Large number of goals already achieved in 2017

Goal	KPI	
1 Implement stringent corporate governance		€1 billion in cost savings achieved by FY 2016 ✓
2 Strengthen portfolio		Tap growth fields > 8% margin in underperforming businesses ✓
3 Execute financial target system		ROCE 15-20% Growth > most-relevant competitors ✓
4 Expand global management		> 30% of Division and Business Unit management outside Germany ✓
5 Be a partner of choice for our customers		≥ 20% improvement in Net Promoter Score ✓
6 Be an employer of choice		> 75% approval rating in “leadership” and “diversity” areas in global employee survey ✓
7 Strengthen Ownership Culture		≥ 50% increase in number of employee shareholders ✓


Development in recent years impacts more than just the share price



#1 Siemens

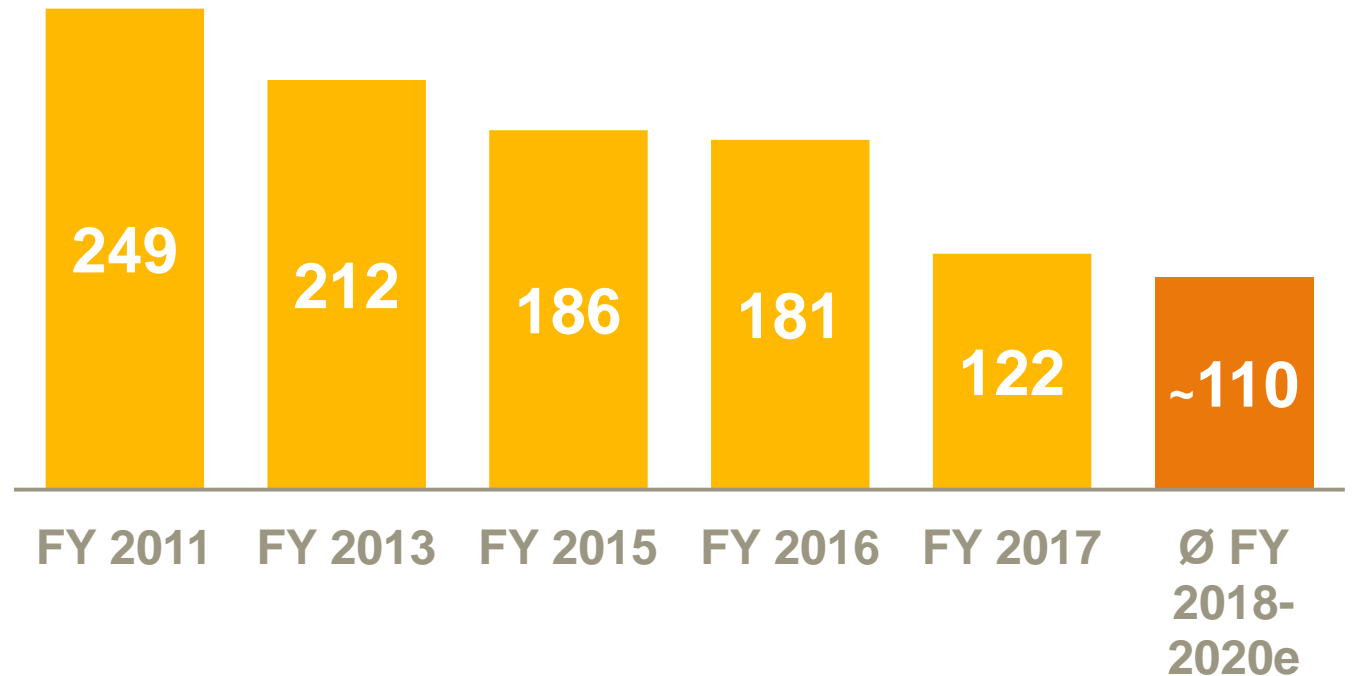
Forbes

The World's
Top Regarded
Companies
2017



Structural challenges in fossil power generation must be solved cautiously

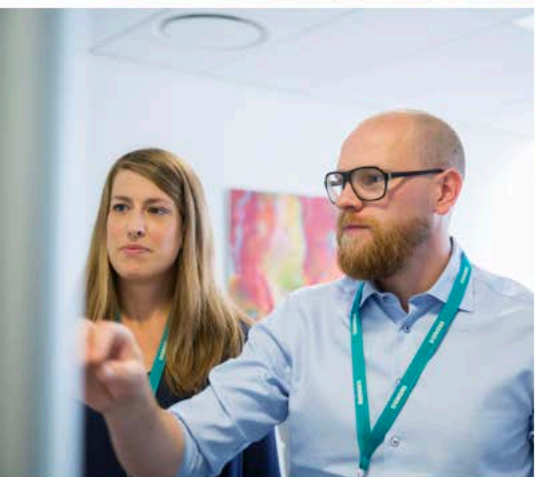
Number of large gas turbines (>100 MW)
sold worldwide



A constructive dialogue with employee representatives

Committee for Economic
Policy on November 16

Consultations and
negotiations



Workforce development in fiscal 2017:

- Number of employees rose to 372,000
- 39,000 hires worldwide

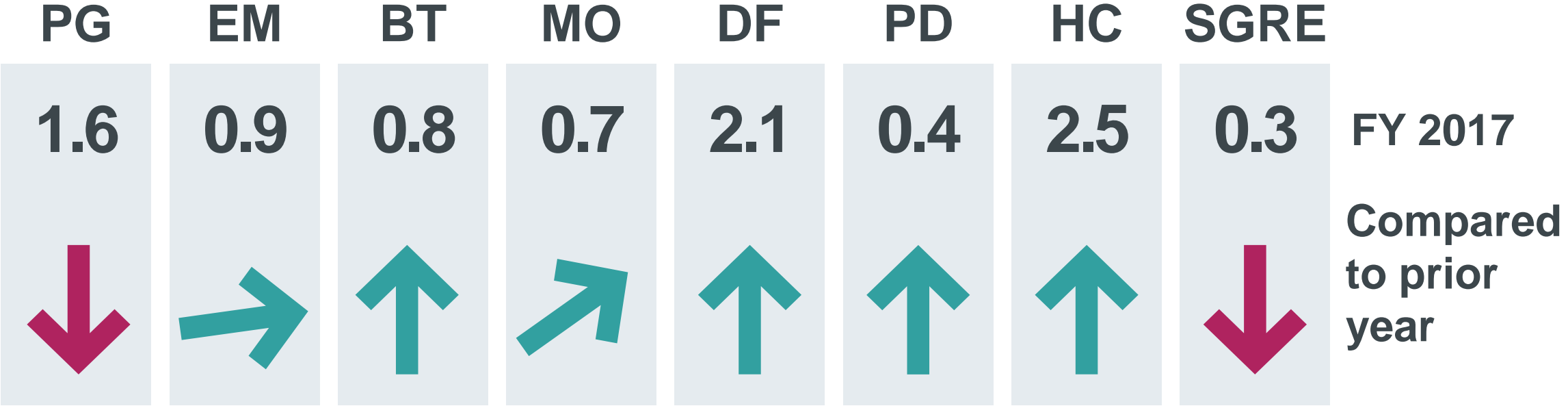
Vocational and continuing education in fiscal 2017:

- Worldwide: 11,400 trainees and university students in work-study programs*
- Investments of more than half a billion euros

* As of September 30, 2017

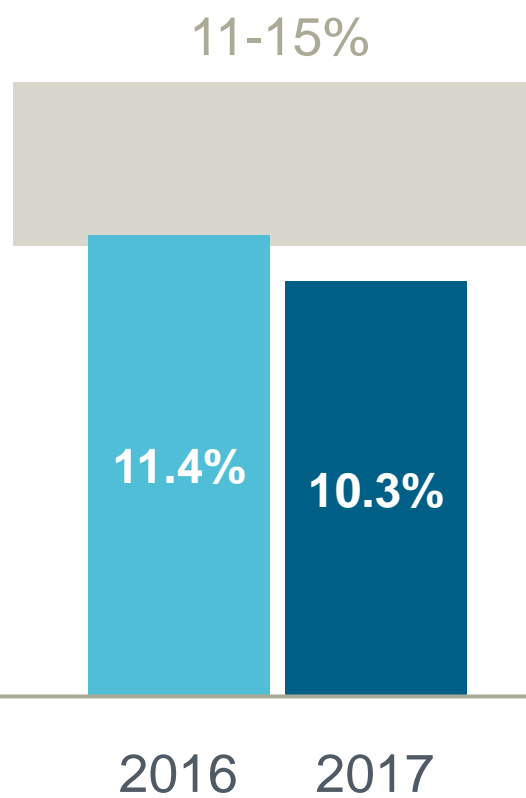
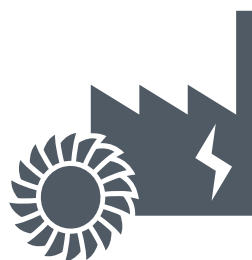
Profit contributions of our Industrial Businesses

in billions of euros



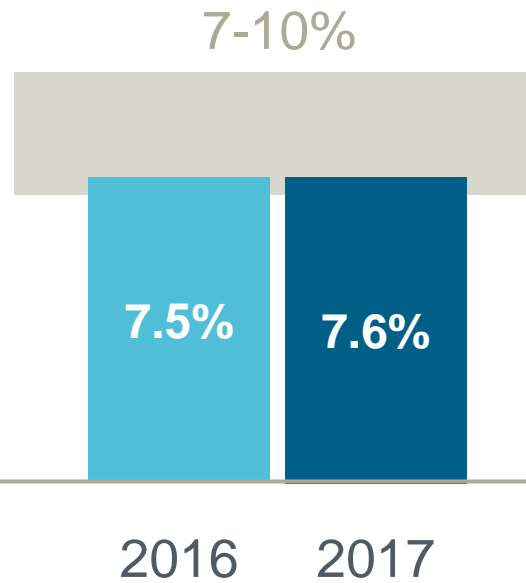
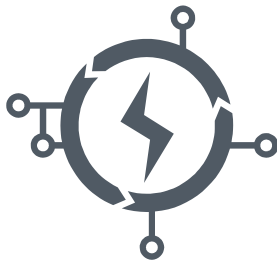
Profit margin

Power and Gas



Profit margin

Energy Management



Profit margin

Building Technologies



8-11%

9.4%

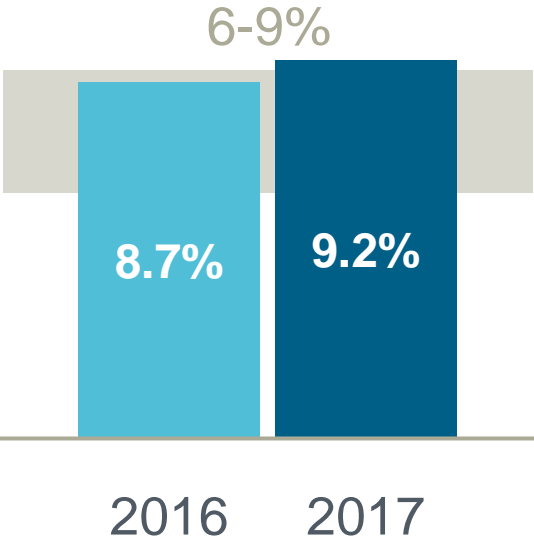
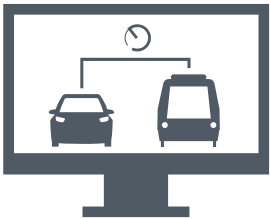
12.0%

2016

2017

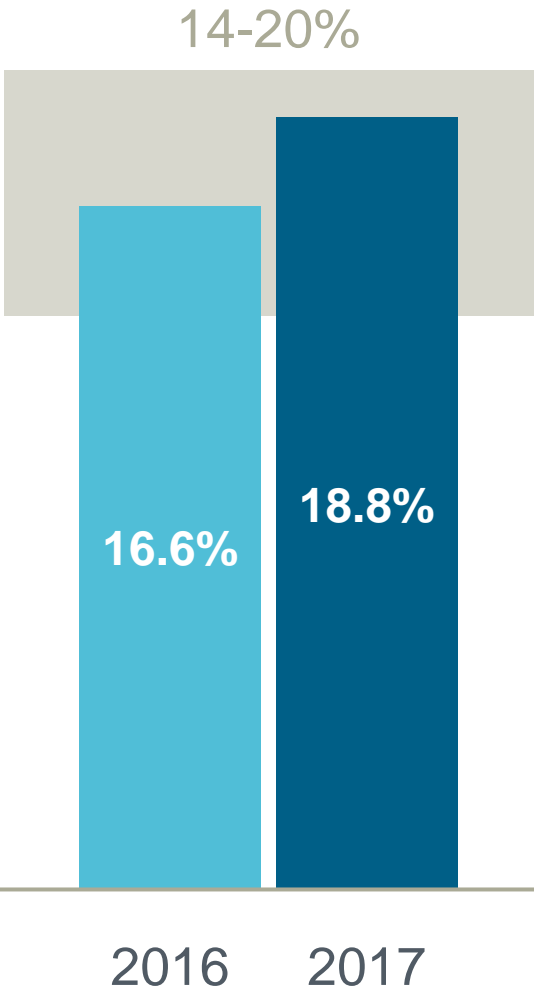
Profit margin

Mobility

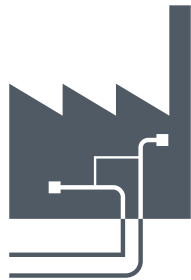


Profit margin

Digital Factory



Process Industries and Drives



8-12%

2.7%

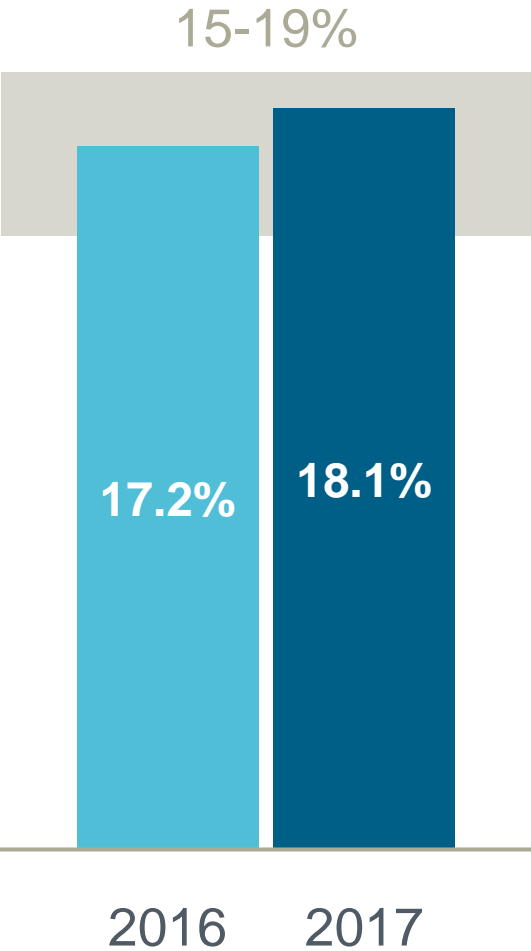
5.0%

2016

2017

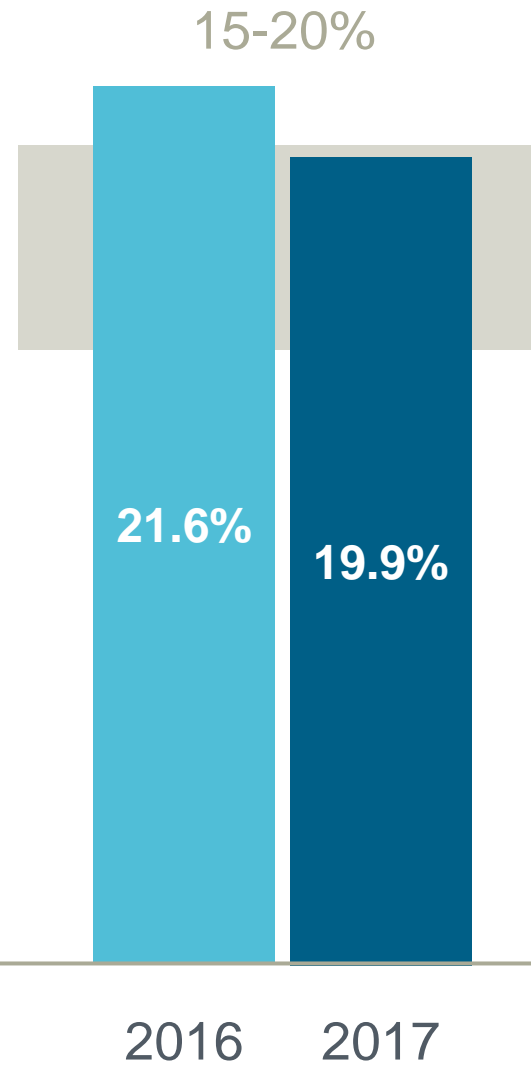
Profit margin

Healthineers



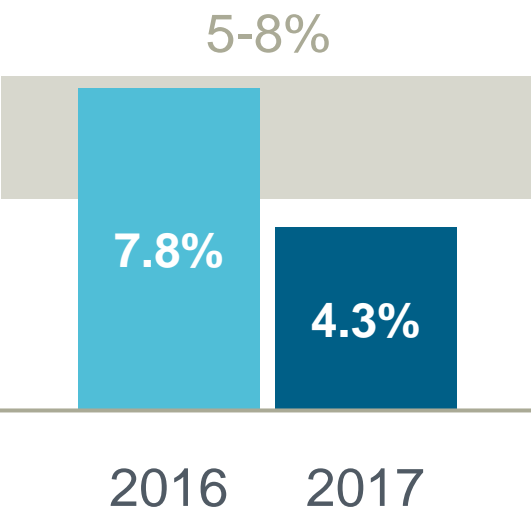
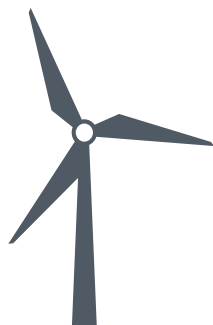
Return on equity

Financial Services



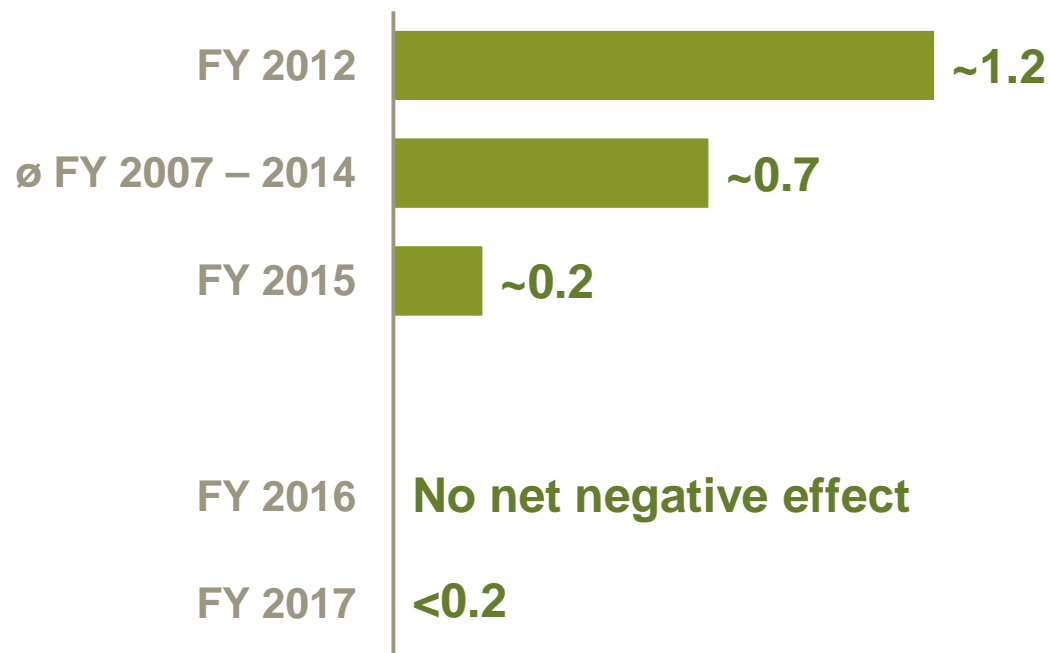
Profit margin

Siemens Gamesa

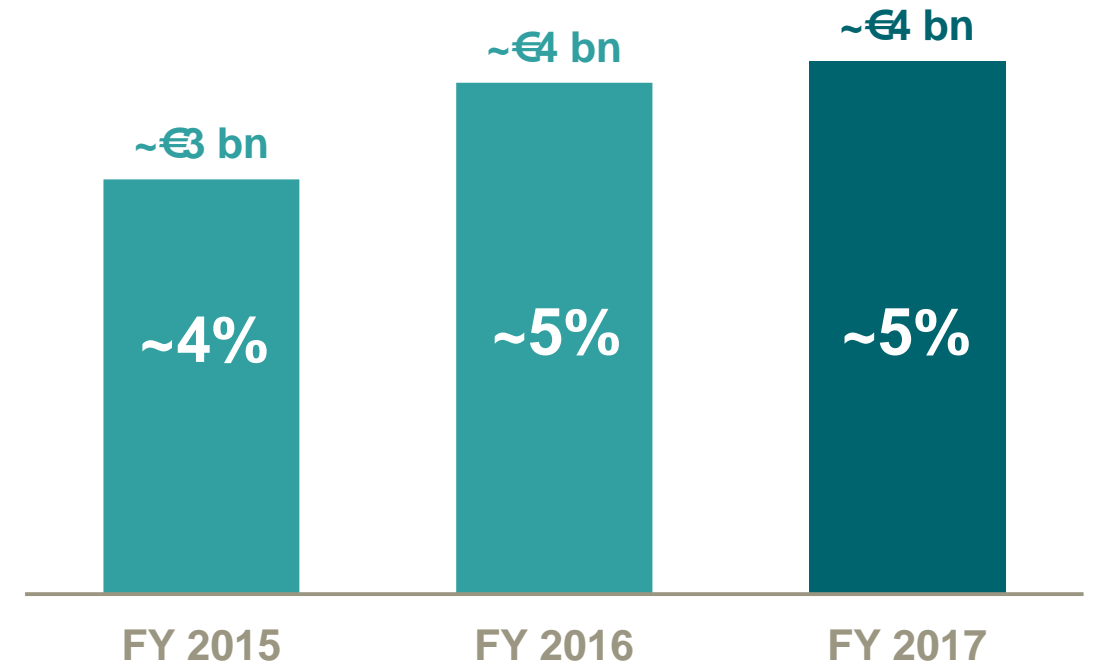


Productivity and performance

Ongoing stringent project execution Project charges in billions of euros



Cost productivity still at a high level in % of overall costs¹



¹ Total costs: sum of sales, R&D and SG&A costs

Underperforming businesses

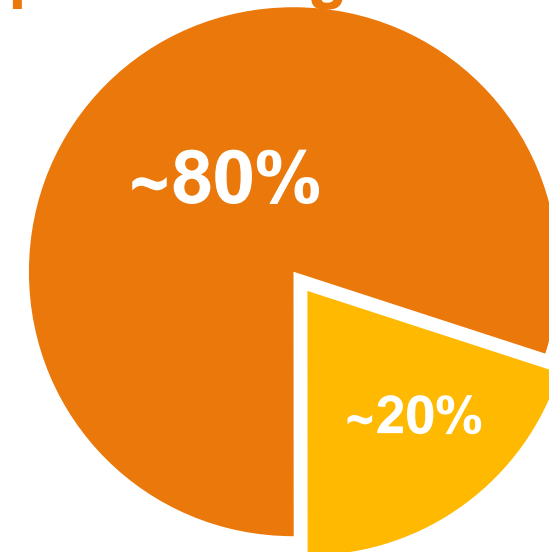
We're fixing them

Volume of about
€15 billion in FY 2017

FY	2013	2014	2015	2016	2017	2020e
Profit margin	-4%	-3%	+1%	+3%	~6%	>8%

What we've achieved in FY 2017

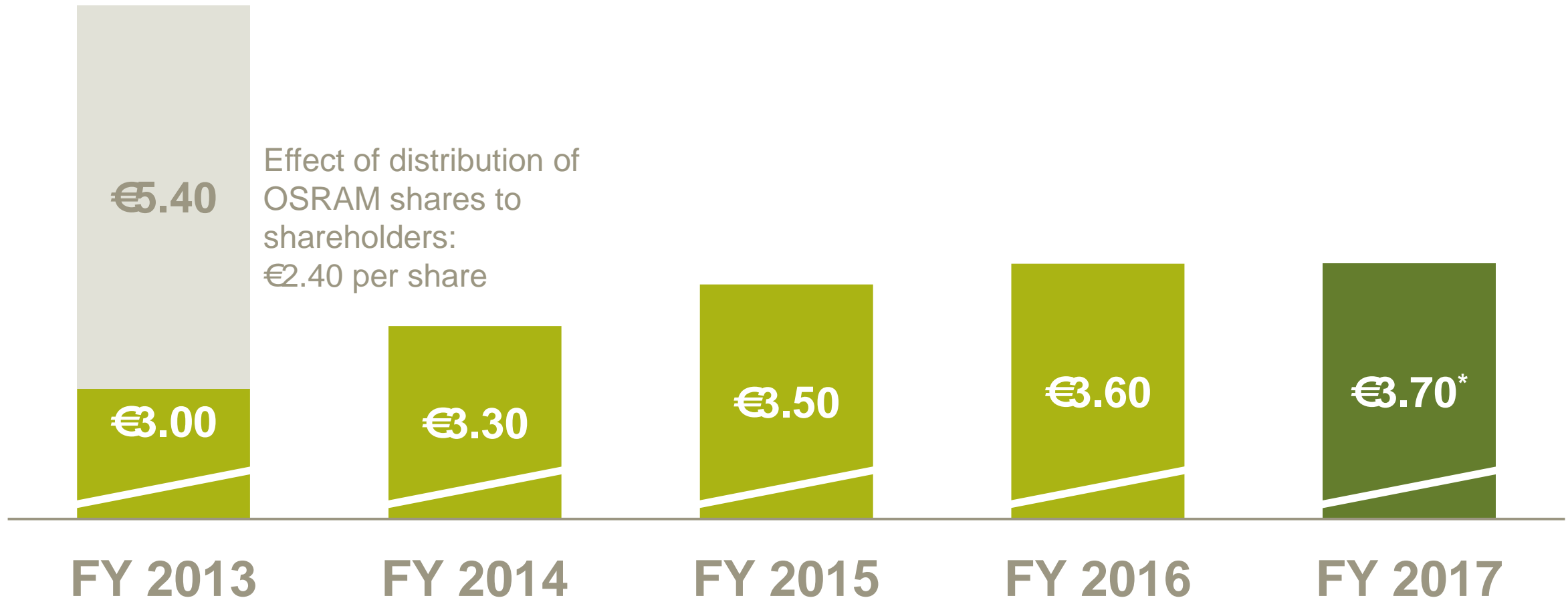
~6% profit margin



In management
focus

Dividend

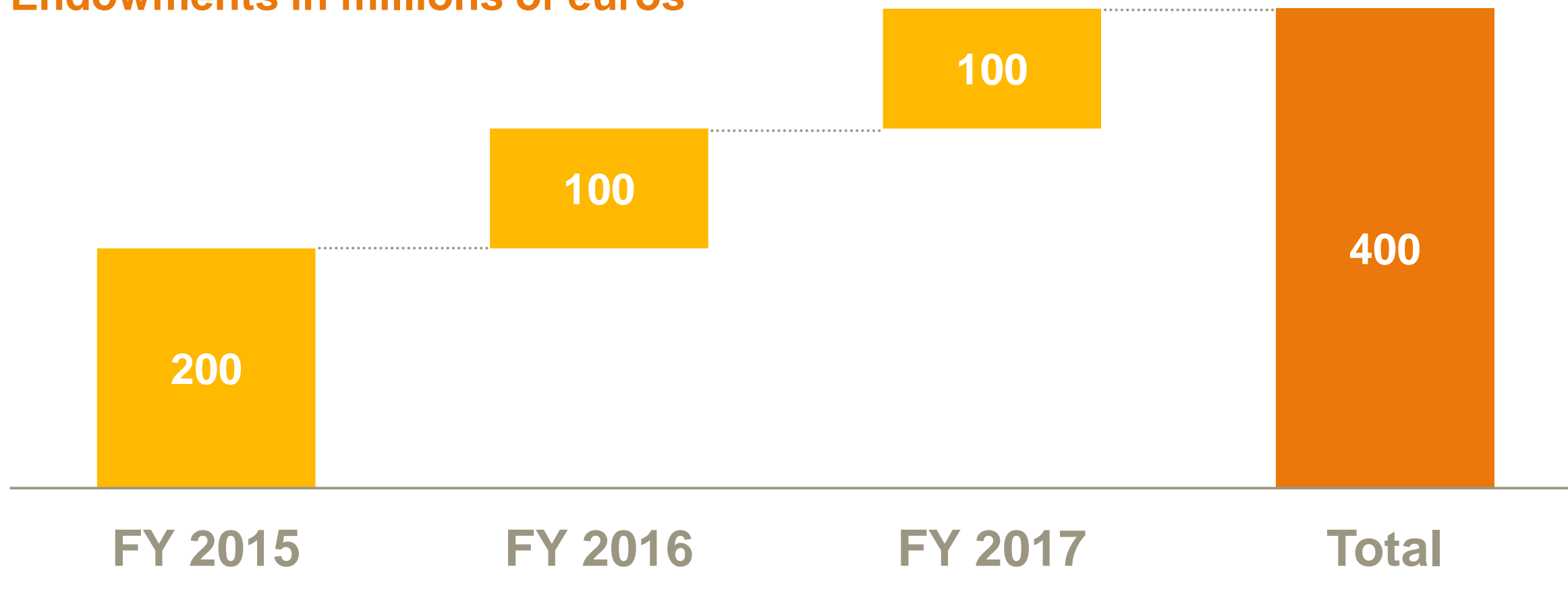
Geared toward high profitability, long-term value and reliability



* Proposal to Annual Shareholders' Meeting

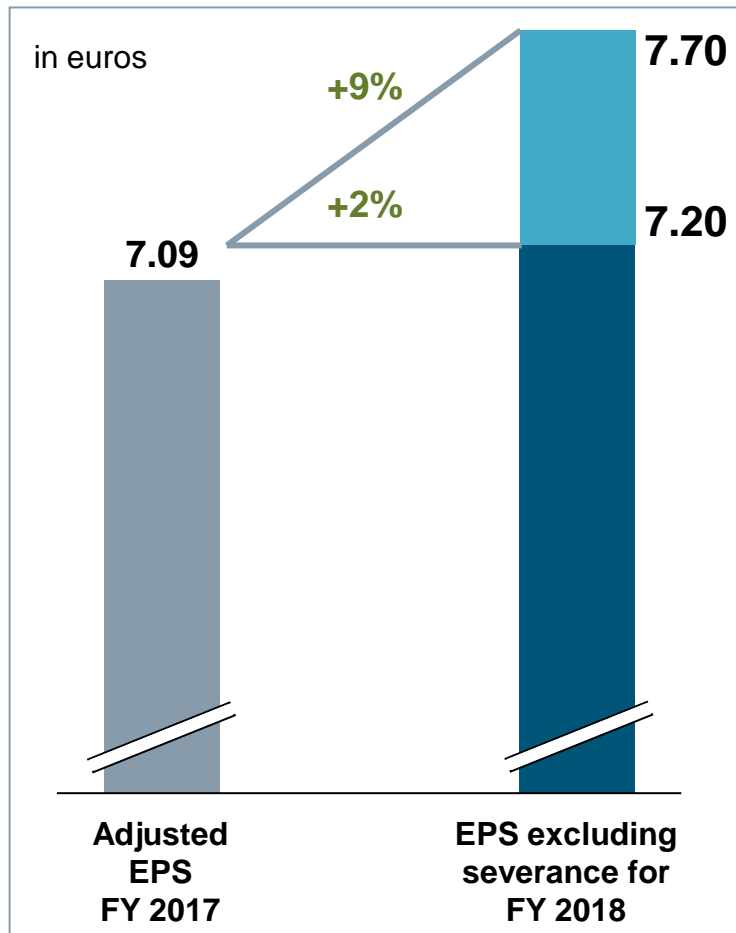
First-time distribution of profit sharing pool – Employees to receive Siemens shares worth €400 million

Endowments in millions of euros



Outlook for fiscal 2018

Earnings per share



We expect a mixed picture in our market environment in fiscal 2018, ranging from strong markets for our short-cycle businesses to unfavorable dynamics in our energy generation markets, as well as geopolitical uncertainties that may restrict investment sentiment.

For fiscal 2018 we expect modest growth in revenue, net of effects from currency translation and portfolio transactions, and anticipate that orders will exceed revenue for a book-to-bill ratio above 1.

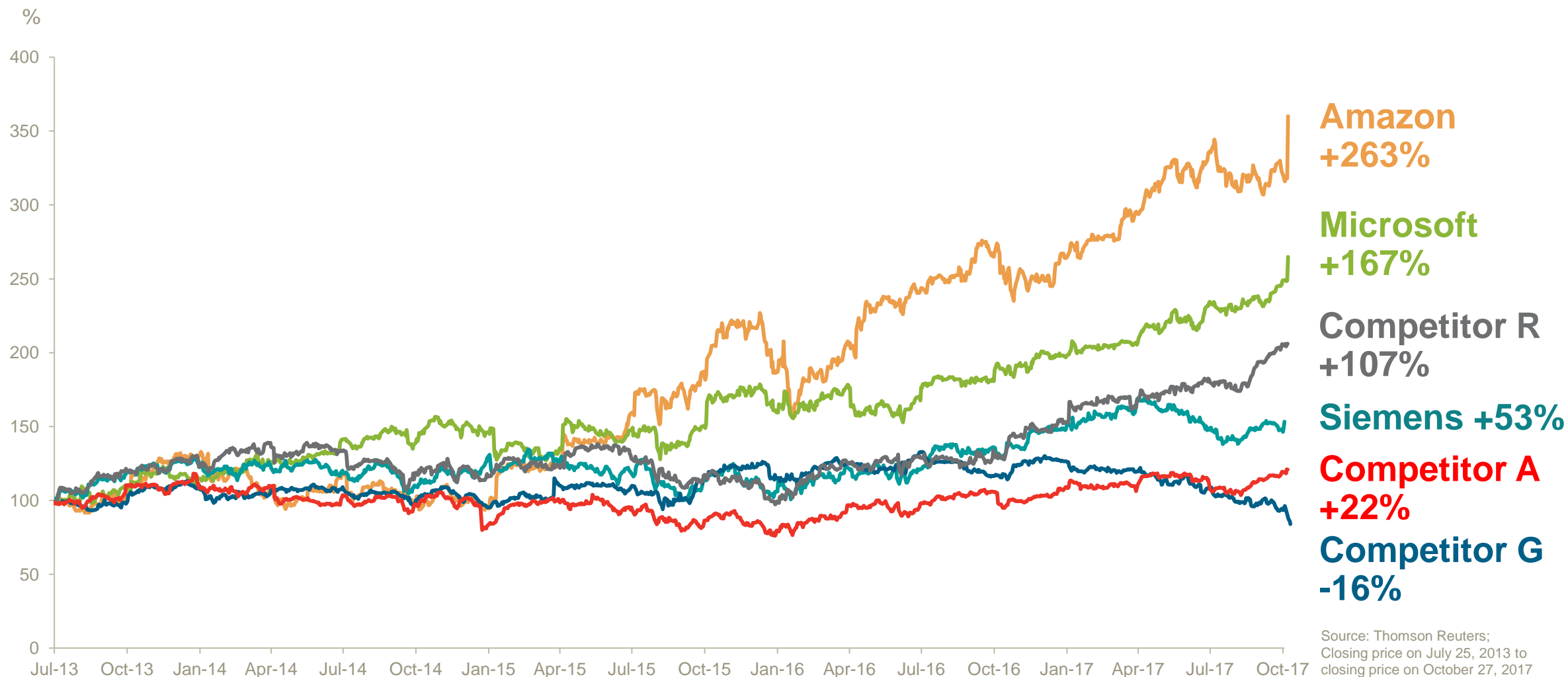
We expect a profit margin of 11.0% to 12.0% for our Industrial Business and basic EPS from net income in the range of €7.20 to €7.70, both excluding severance charges.

This outlook excludes charges related to legal and regulatory matters, effects on EPS associated with minorities holding shares in Healthineers following the planned IPO, and potential effects which may follow the introduction of a new strategic program.

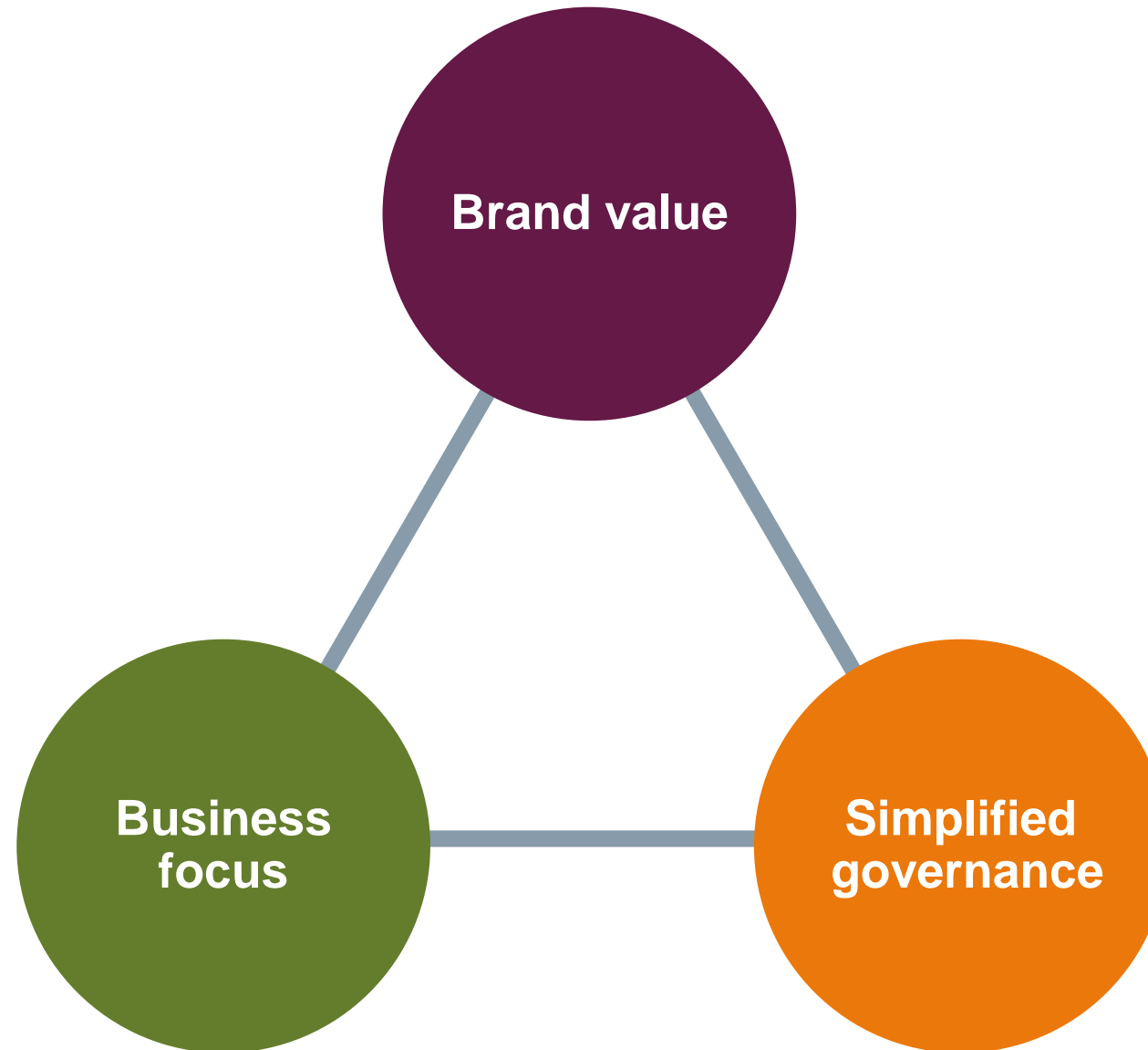
Note: FY 2017 weighted average number of shares of about 813 million

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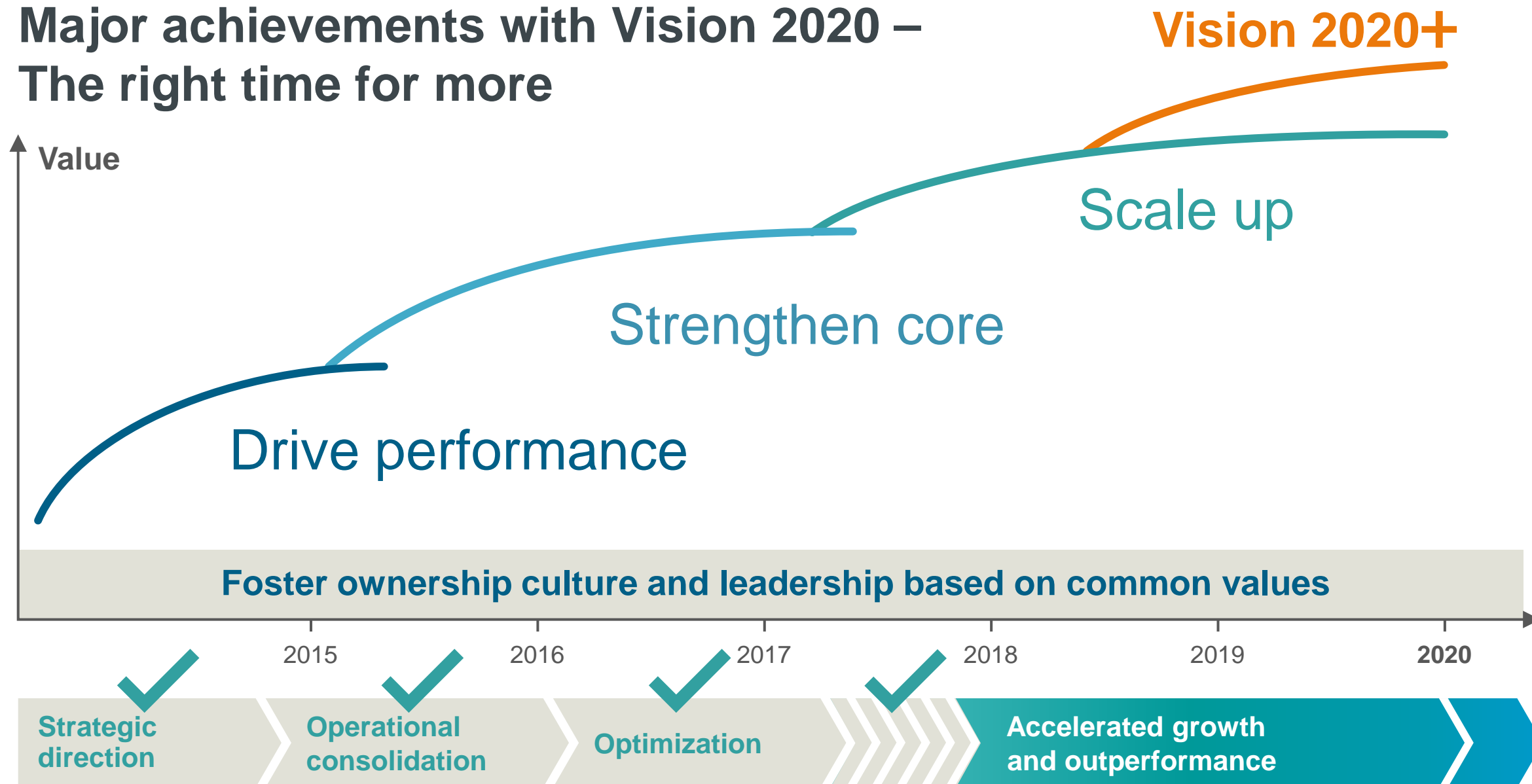
Pace of change demands setting the course for beyond 2020 – Stock performance comparison



What counts going forward



Major achievements with Vision 2020 – The right time for more

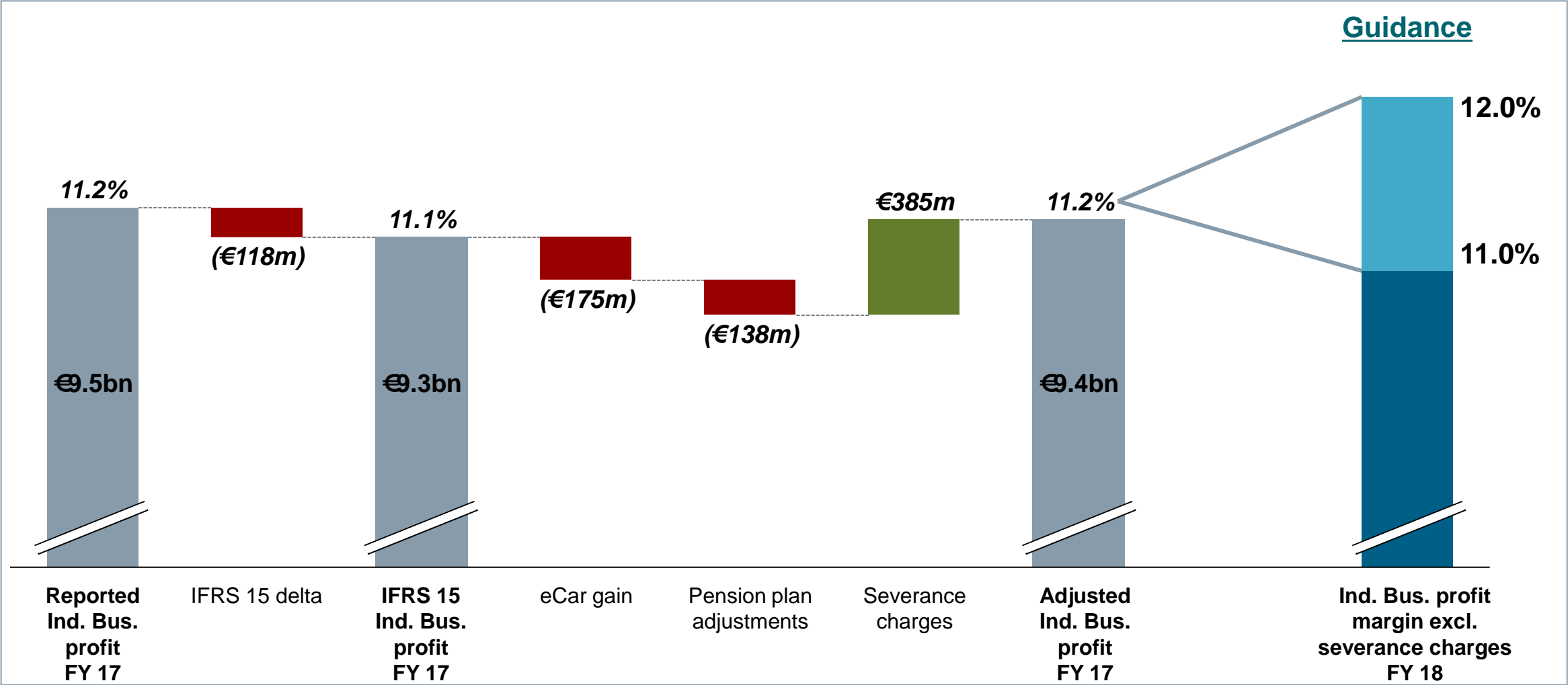


Backup



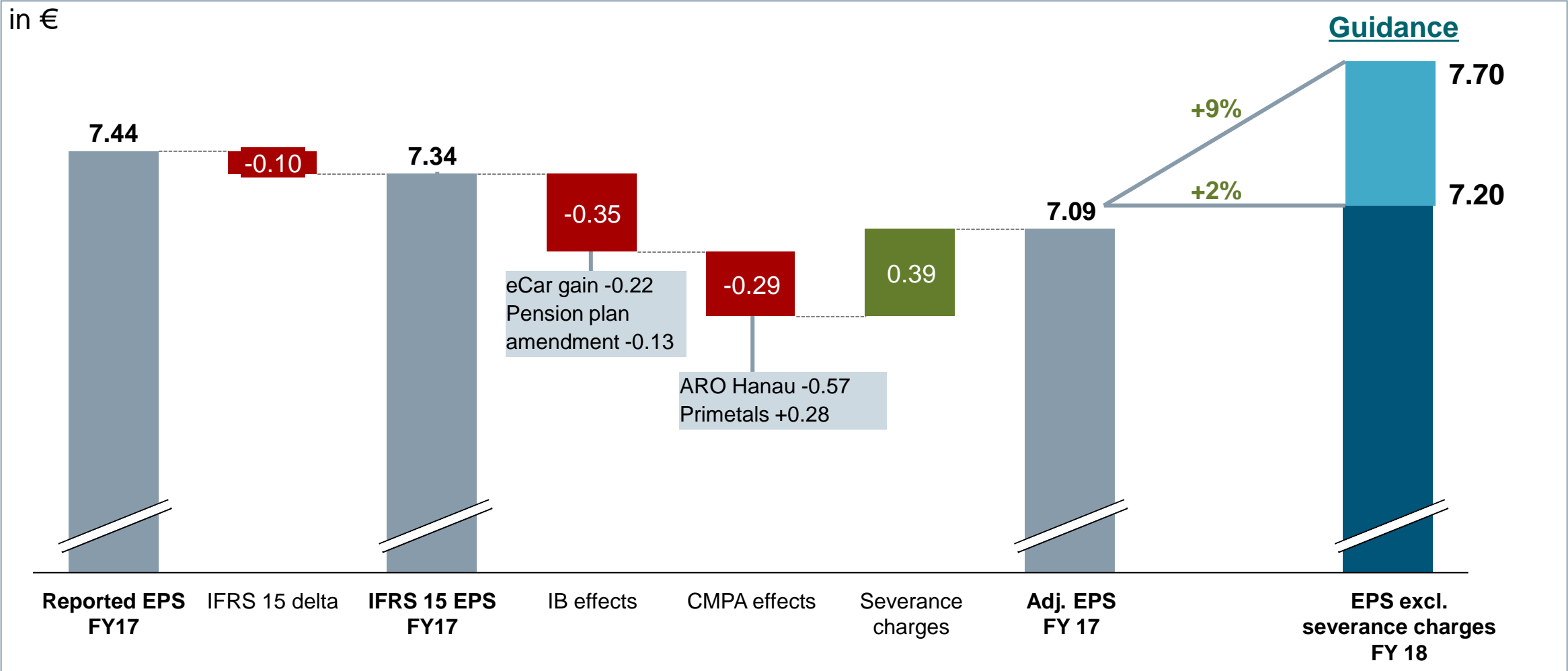
Industrial Business profit margin

Outlook for fiscal 2018



Earnings per share

Outlook for fiscal 2018



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