

Guidance fully achieved again – Another strong year

Joe Kaeser and Ralf P. Thomas
Annual Press Conference for fiscal 2018
Munich, November 8, 2018

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.

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 Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur 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.

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.

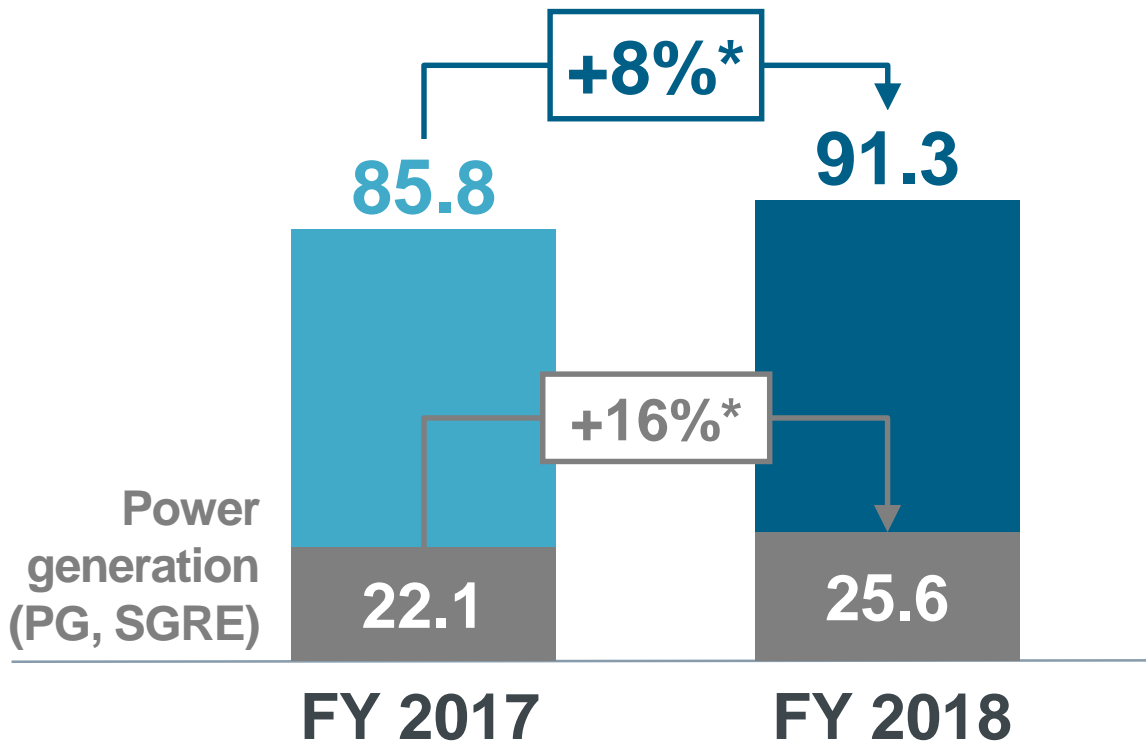


SIEMENS
Ingenuity for life

Growth trajectory continued in fiscal 2018

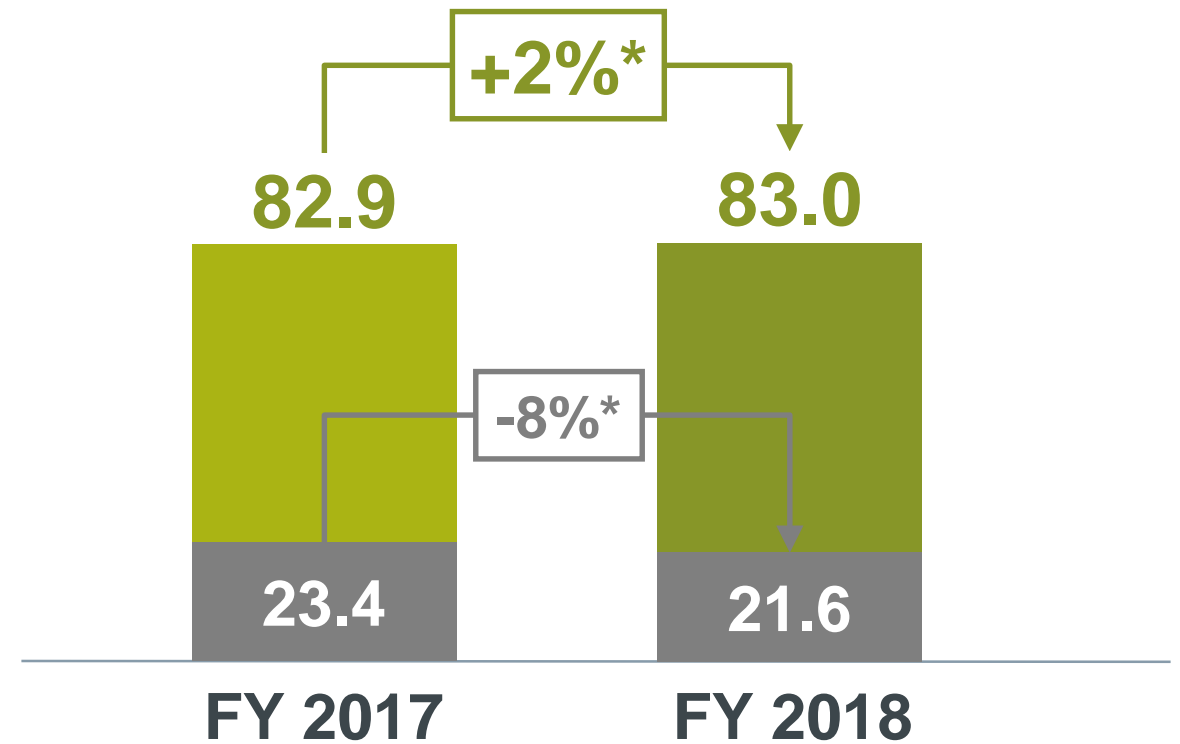
Orders

in billions of euros



Revenue

in billions of euros

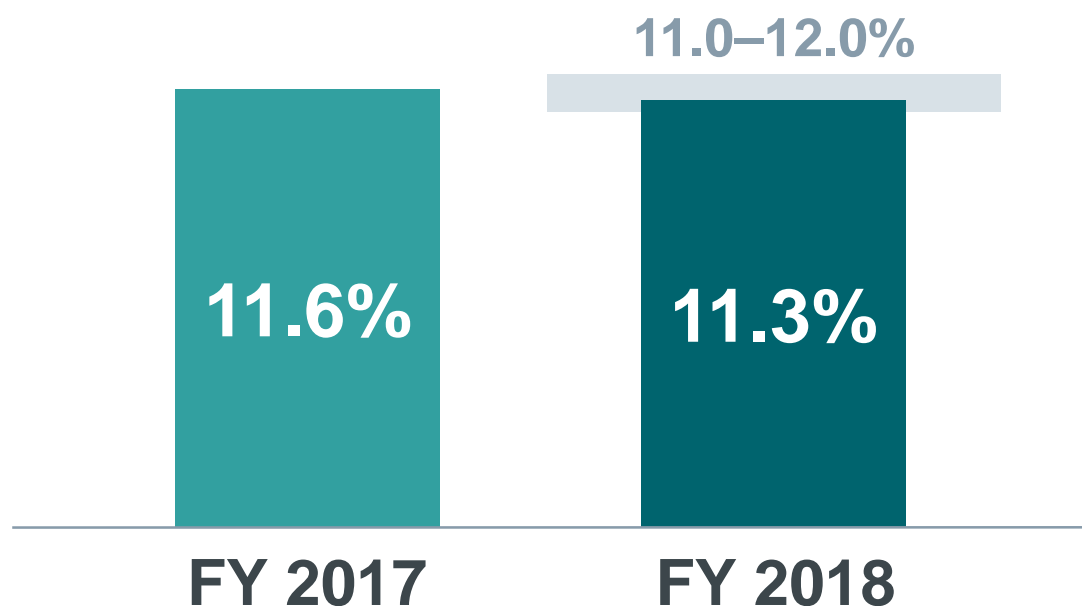


* On a comparable basis, excluding currency translation and portfolio effects

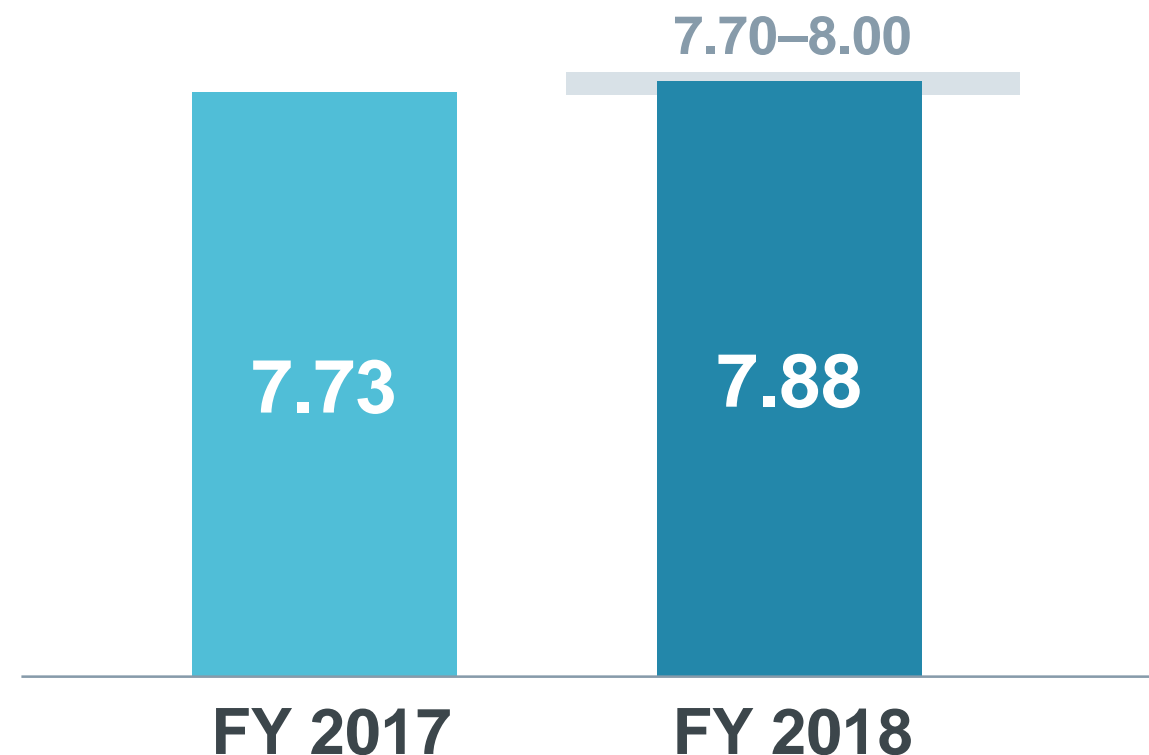
Profitability remained at a high level



Profit margin Industrial Business*



Earnings per share* in euros



* Excluding severance charges

Raised guidance for fiscal 2018 fulfilled at all points



	Guidance for FY 2018	Actual figures for FY 2018	Fulfilled?
Revenue	Slight growth	+2%	
Book-to-bill	Greater than 1	1.10	
Profit margin Industrial Business*	11–12%	11.3%	
Earnings per share*	€7.70–€8.00	€7.88	

* Excluding severance charges

MEMBER OF

Dow Jones Sustainability Indices

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Megaproject in Egypt



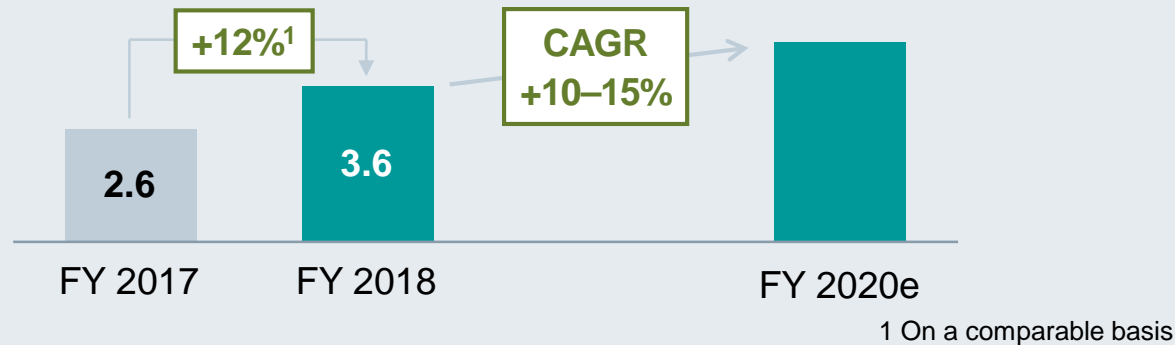
Charter of Trust



Market leadership in industrial digitalization expanded

Digital Factory software business

Revenue in billions of euros



- Partnership between **Boeing and Mentor**
- Acquisition of **Mendix** concluded, effective October 1
- Collaboration with **Bentley Systems** expanded
- More than **60 digital products and services** at **Power Generation Services**
- **Building Technologies** strengthening IoT competencies



- **57 MindSphere Application Centers**
- About **1.4 million connected assets**, over **250 apps and services**
- More than **500 customers**; over **200 partners**
- Lighthouse project in **Singapore**: greater availability in local public transport system

Ralf P. Thomas

Chief Financial Officer of Siemens AG

The 4th quarter – Strong finish at close of fiscal 2018

Orders up due to strength at
Mobility, Digital Factory,
Power and Gas and Siemens
Healthineers

+5%*



Accelerated **revenue growth**

+5%*



Profit margin for the
Industrial Business up by
100 basis points

11.3%**



Earnings per share lower on
tax and severance

€0.69



Strong **free cash flow** of
€3.3 billion

+38%



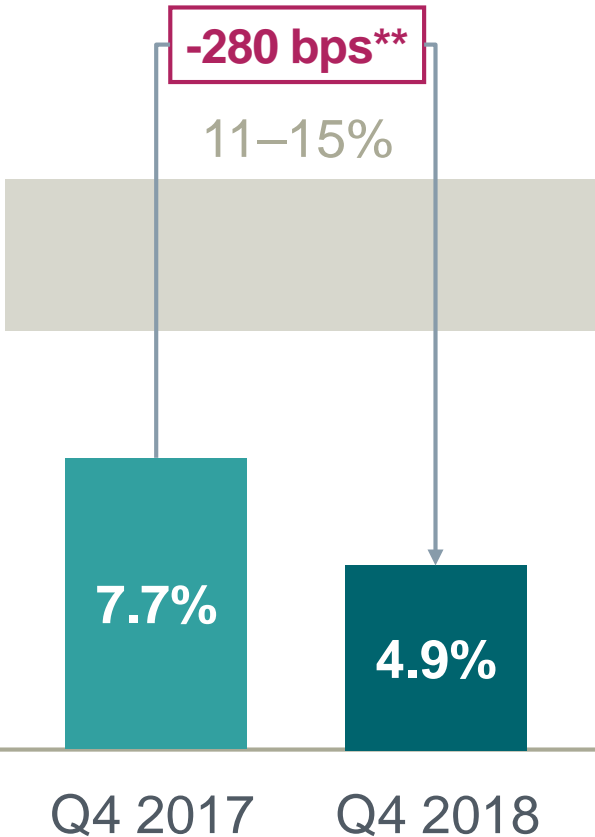
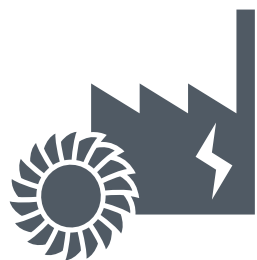
Healthy **capital structure**:
Industrial net debt / EBITDA

0.4x



Profit margin*

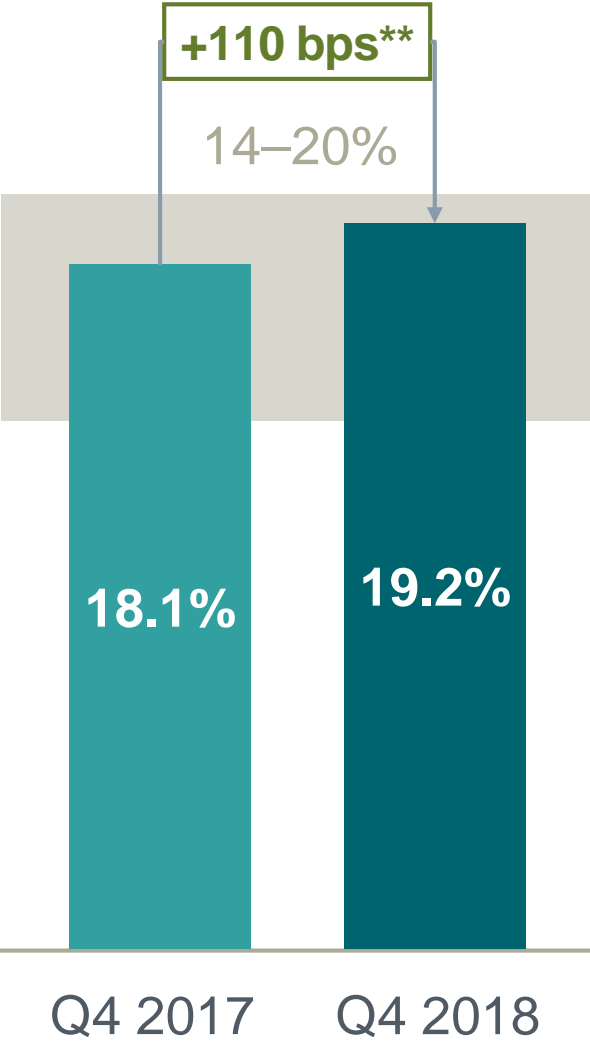
Power and Gas



* Excluding severance charges
** Basis points

Profit margin*

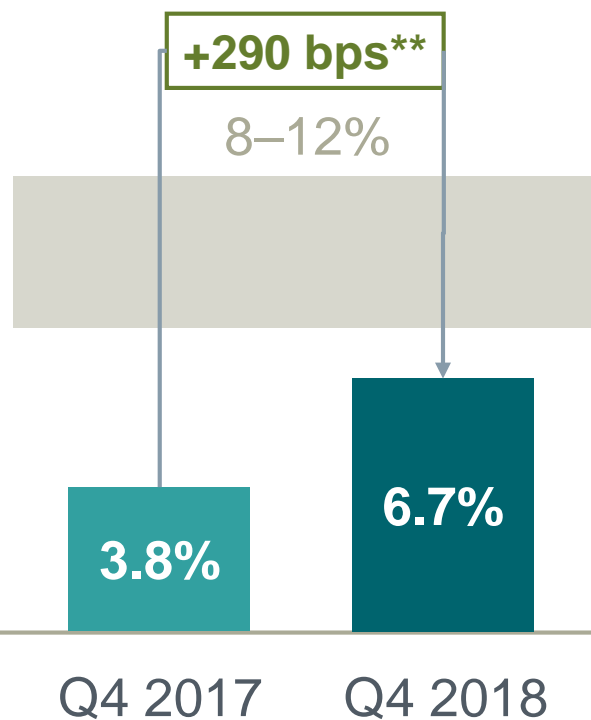
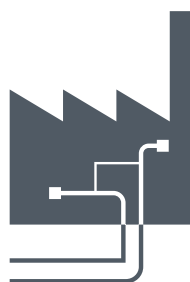
Digital
Factory



* Excluding severance charges
** Basis points

Profit margin*

Process Industries and Drives

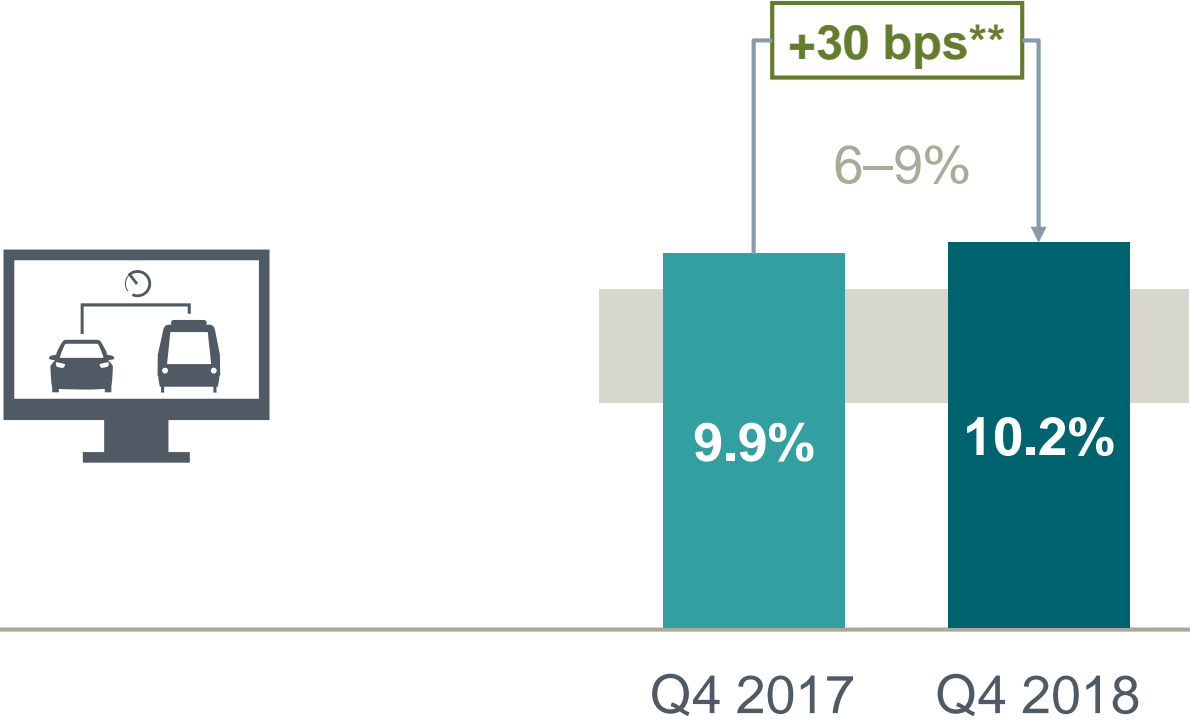


* Excluding severance charges

** Basis points

Profit margin*

Mobility



* Excluding severance charges

** Basis points

Stringent project execution and improved risk management are paying off

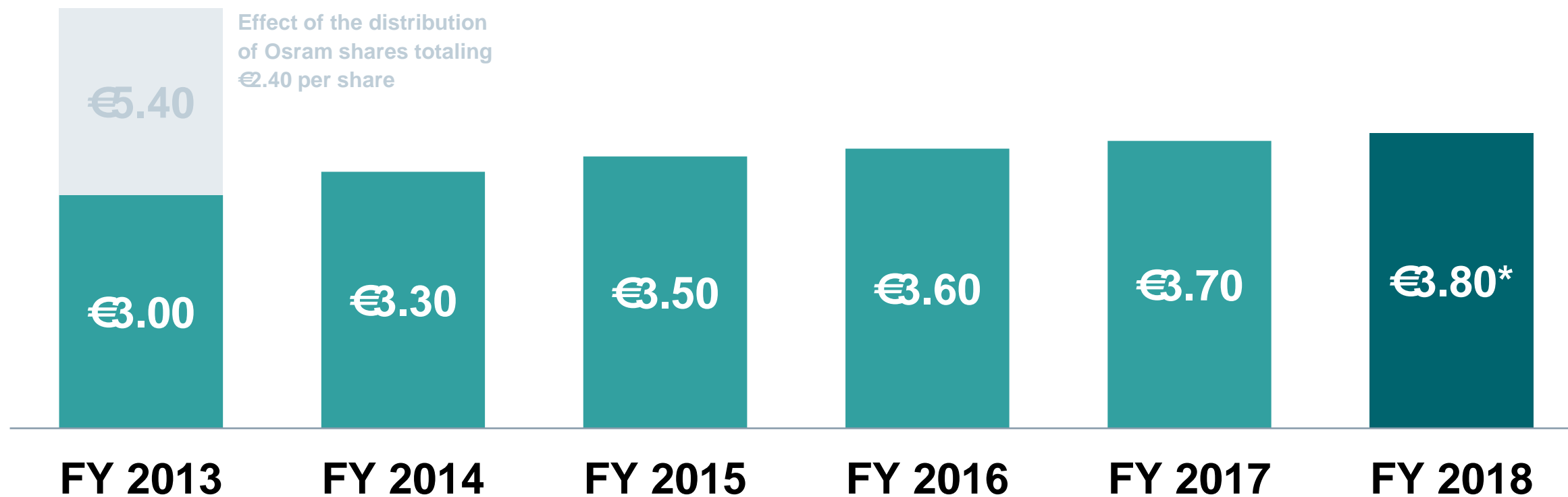
Project charges

in billions of euros

Avg. FY 2007–2015	~ -0.7
FY 2016	No net negative effect
FY 2017	~ -0.2
FY 2018	No net negative effect

Dividends raised for fifth year in a row Geared toward long-term value and reliability

Payout ratio: 40–60% of net income



* Proposal to the Annual Shareholders' Meeting

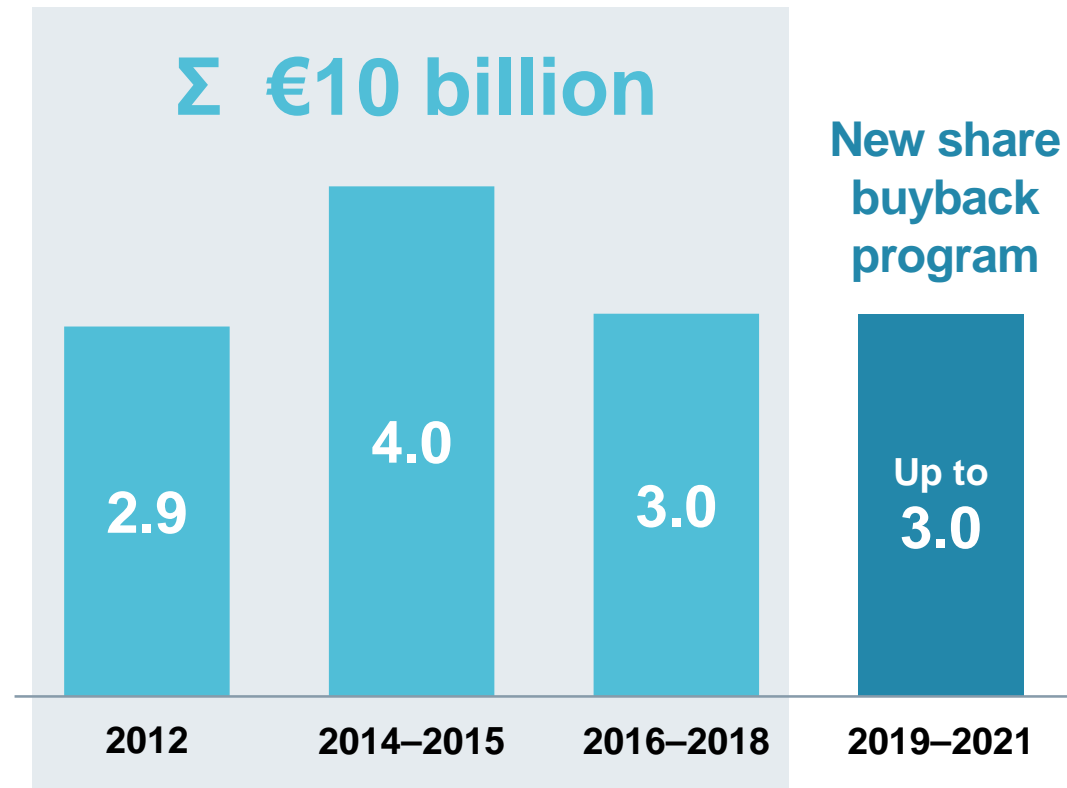
Successful share buyback program continued

More than 300,000 employee shareholders



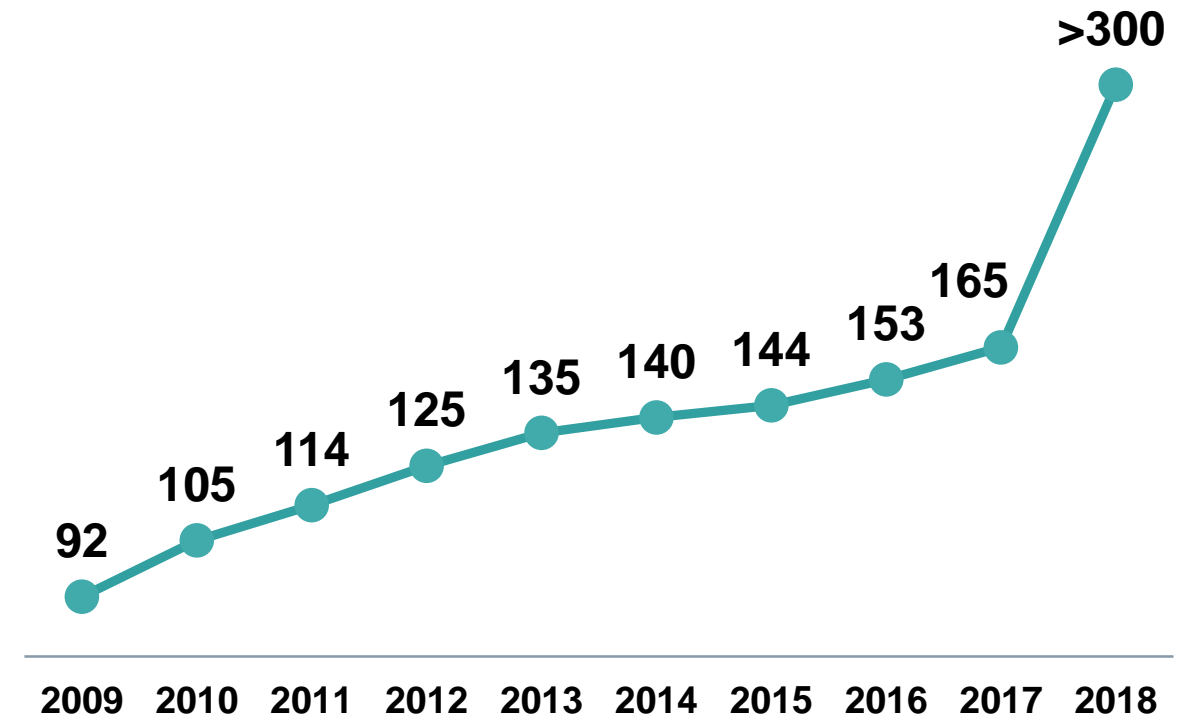
Share buyback programs

in billions of euros



Number of employee shareholders

in thousands



Assumptions for fiscal 2019 outlook



Macroeconomic environment

No material impact for businesses from geopolitical risks and from macroeconomic factors



Pricing pressure

2–3% of revenue; stable on short-cycle;
ongoing pricing pressure in power generation businesses



Personnel cost inflation

3–4% increase



CAPEX

Clear increase over fiscal 2018 levels

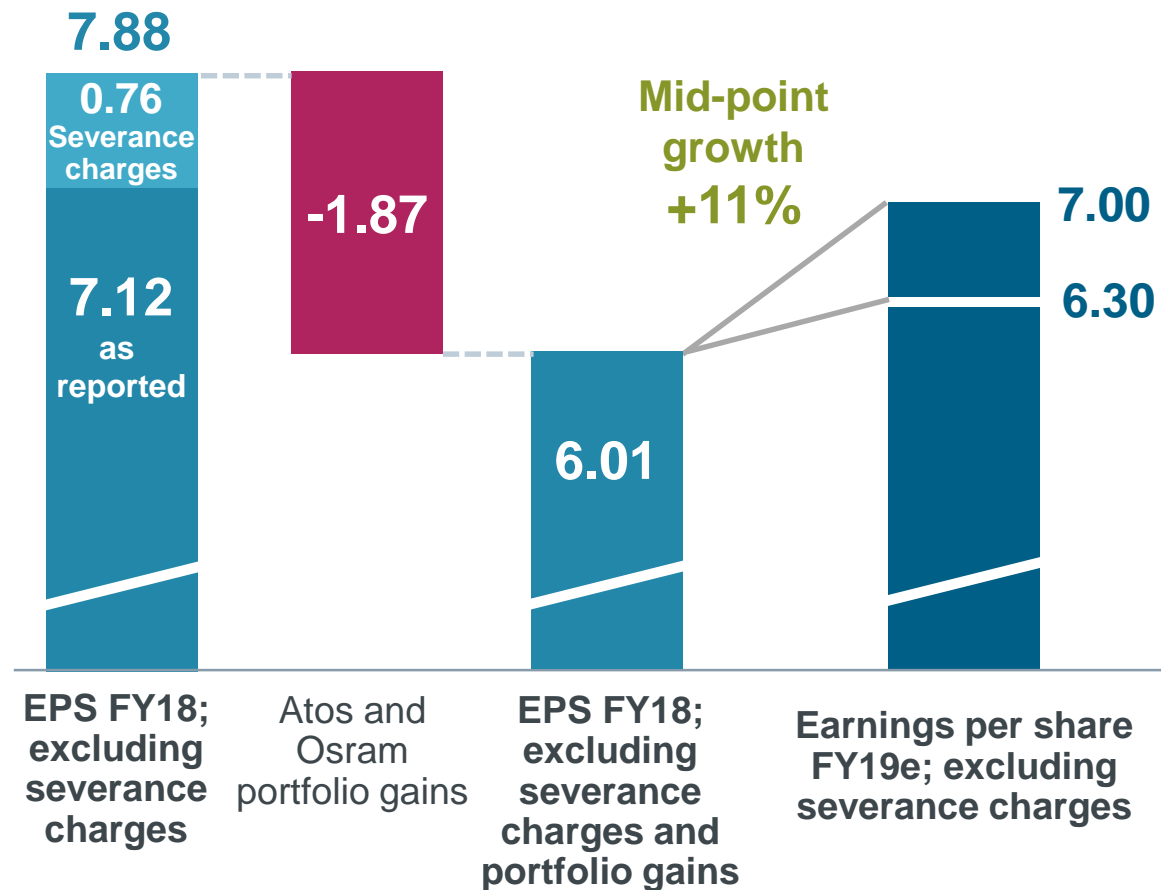


Foreign exchange

Continuing adverse effects, mainly from emerging markets

Outlook for fiscal 2019

Earnings per share (EPS) in euros



We expect a **continued favorable market environment**, particularly for our **short-cycle businesses**, with **limited risks related to geopolitical uncertainties**.

For fiscal 2019, we expect **moderate growth in revenue**, net of currency translation and portfolio effects. We further 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** based on our current organizational structure, excluding severance charges.

Furthermore we expect **basic EPS** from net income **in the range of €6.30 to €7.00** also excluding severance charges.

This outlook excludes charges related to legal and regulatory matters and post-closing results from combining our mobility business with Alstom SA, which we expect to close in the first half of calendar 2019.

Joe Kaeser

President and CEO of Siemens AG

We've achieved a great deal with Vision 2020



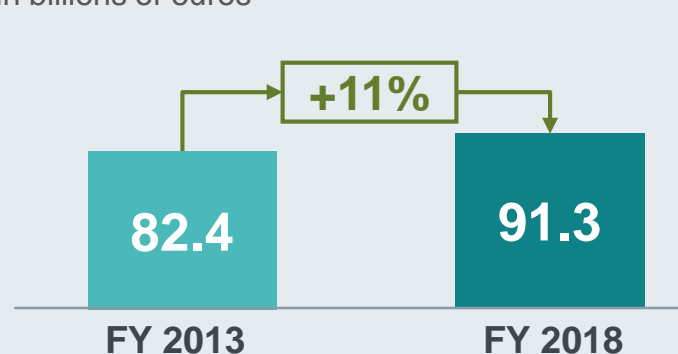
Revenue

in billions of euros



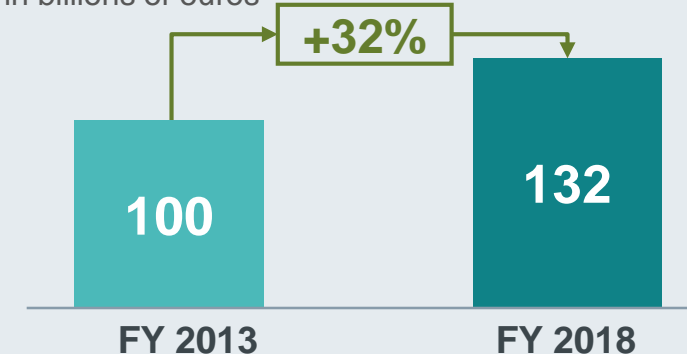
Orders

in billions of euros



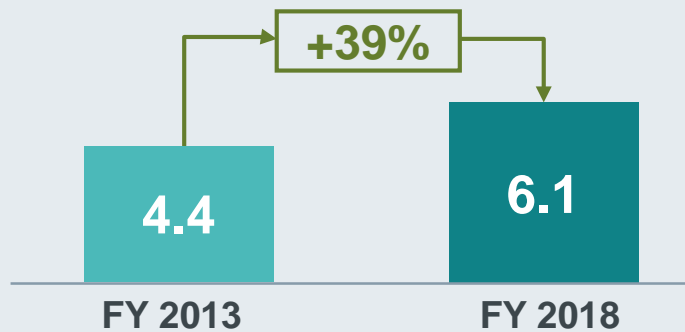
Order backlog

in billions of euros



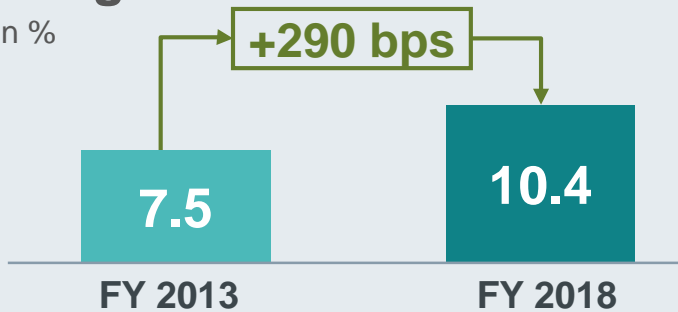
Results*

in billions of euros



Industrial Business profit margin**

in %

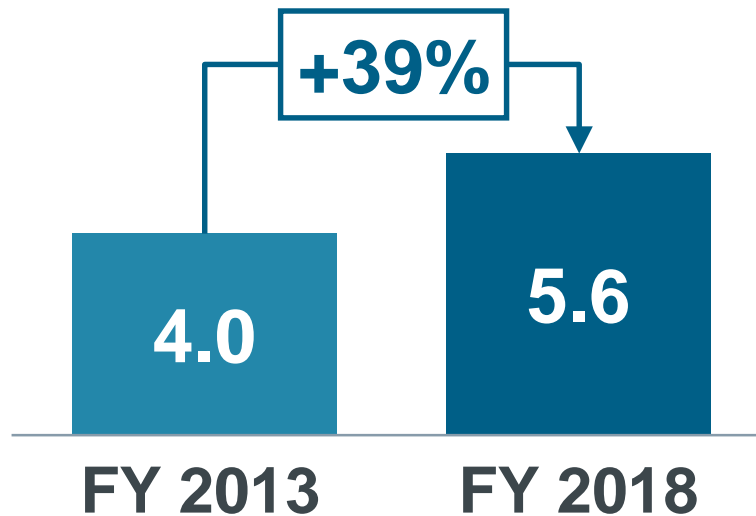


Clear increases in **employee satisfaction** (internal survey) and **customer satisfaction** (Net Promoter Score) since 2013

...and we've made large investments in the future

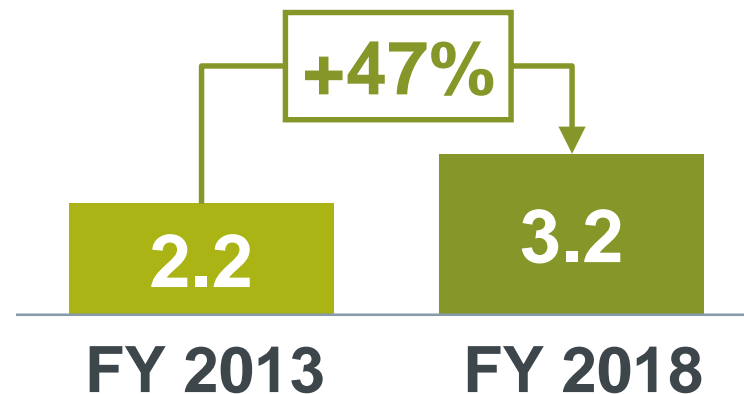
Research and development worldwide

in billions of euros



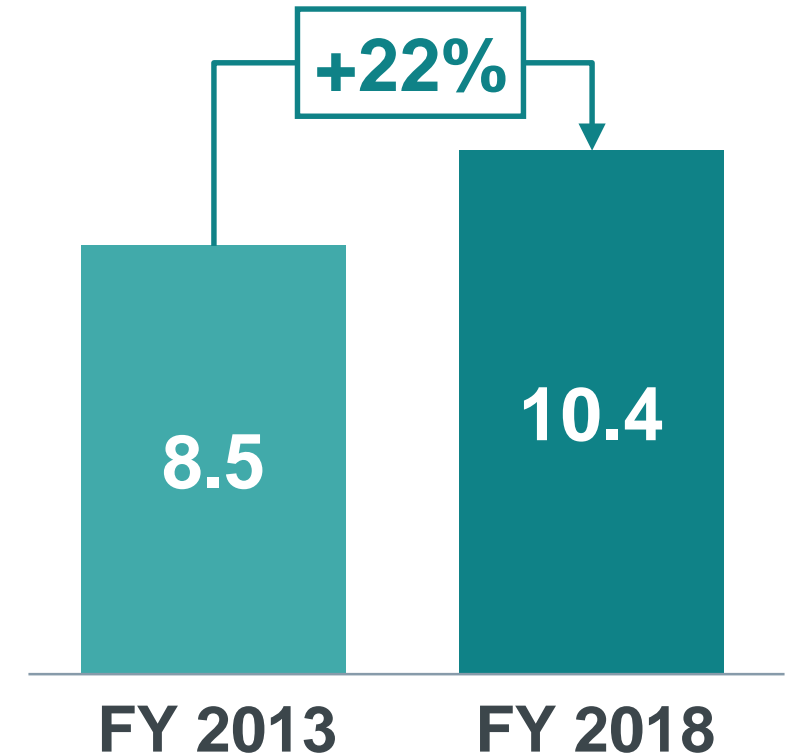
Investments (CAPEX) worldwide

including leasing contracts;
in billions of euros



Sales expenditures worldwide

in billions of euros



...and that's why we're raising the bar

Operating Companies

Gas and Power



Target margin²
8–12%

Smart Infrastructure



Target margin²
10–15%

Digital Industries



Target margin²
17–23%

Strategic Companies

SIEMENS ALSTOM¹



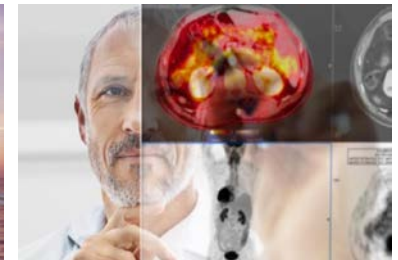
Target margin^{2 3}
8–12%

SIEMENS Gamesa
RENEWABLE ENERGY



Target margin^{2 3}
7–11%

SIEMENS Healthineers



Target margin^{2 3}
17–21%

¹ Subject to regulatory approval ² Targets over the cycle ³ Siemens' expectation

Vision 2020+

Focus	Embrace entrepreneurial freedom and be best in industry
Accountability	Decide independently and act responsibly
Adaptability	Act quickly and decisively in the digital age

Implementation of Vision 2020+ on track to go live on April 1, 2019



Questions & answers

Joe Kaeser, President and CEO
Ralf P. Thomas, CFO

Siemens press contacts



Financial and business media

Robin Zimmermann	+49 89 636-22804
Philipp Encz	+49 89 636-32934
Felix Sparkuhle	+49 89 636-35180
Richard Speich	+49 89 636-30017
Wolfram Trost	+49 89 636-34794

Internet:	www.siemens.com/press
E-mail:	press@siemens.com
Telephone:	+49 89 636-33443
Fax:	+49 89 636-35260