

Strong demand delivers record high for order backlog – focus on energy businesses

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Analyst Call, February 5, 2020

Notes and forward-looking statements



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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.

Q1 FY 2020

Slow start as expected – Guidance for FY 2020 confirmed



Q1 - Key Figures



Orders

-4%



Revenue

-1%



IB Adj. EBITA margin
excl. severance

8.3%



IB Free Cash Flow

€0.9bn



Earnings per share

€1.33



Ind. ND/EBITDA

0.9x

Outlook FY 2020 confirmed

Growth



DI / SI / MO margin



Cost savings as planned



EPS



Energy spin off on track

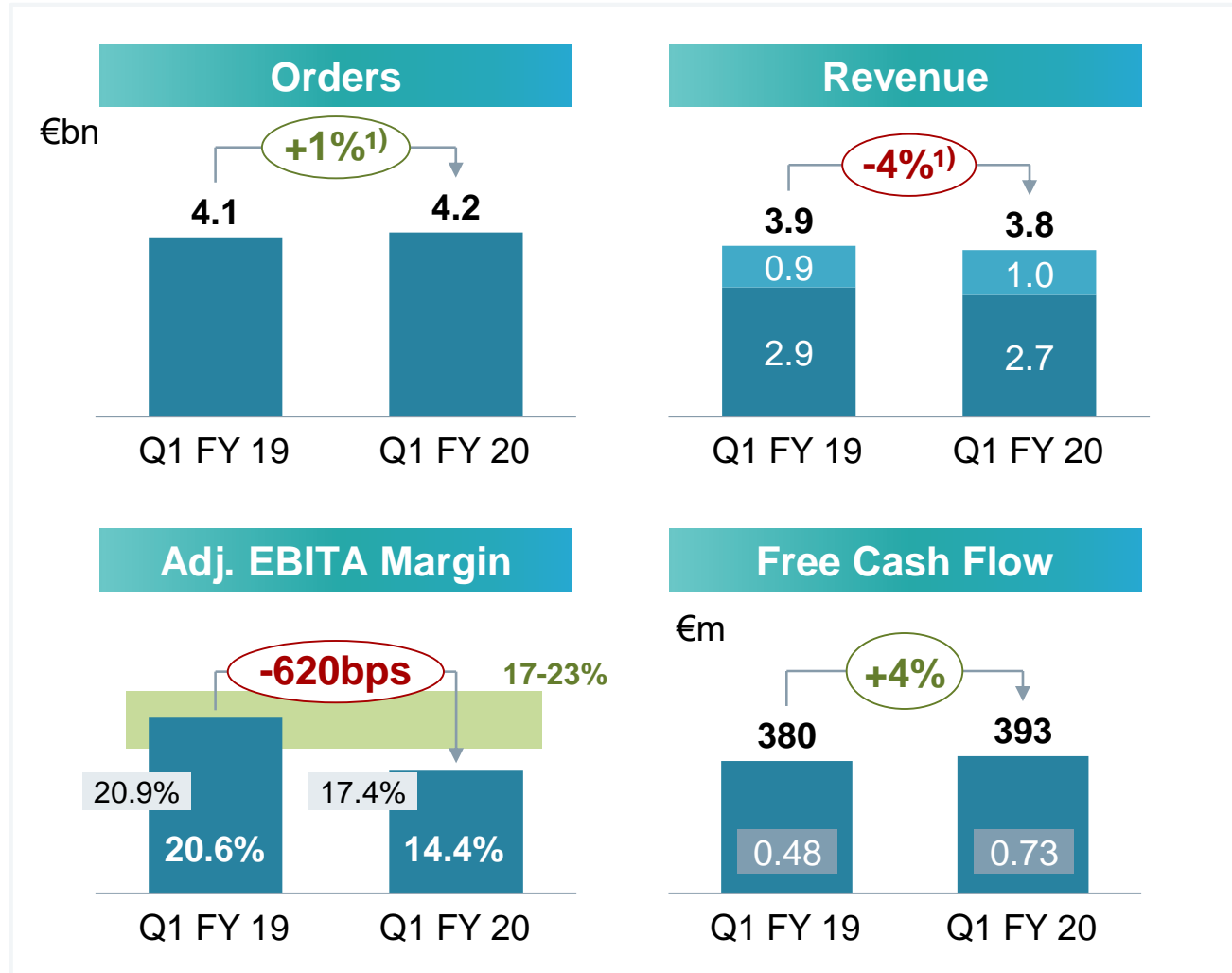


Note: Growth rates comparable

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Digital Industries (DI)

Short cycle still challenging - large Software wins drive orders



Revenue

Discrete still weak
Process flat
Solid Software growth



Stringent execution of cost optimization program

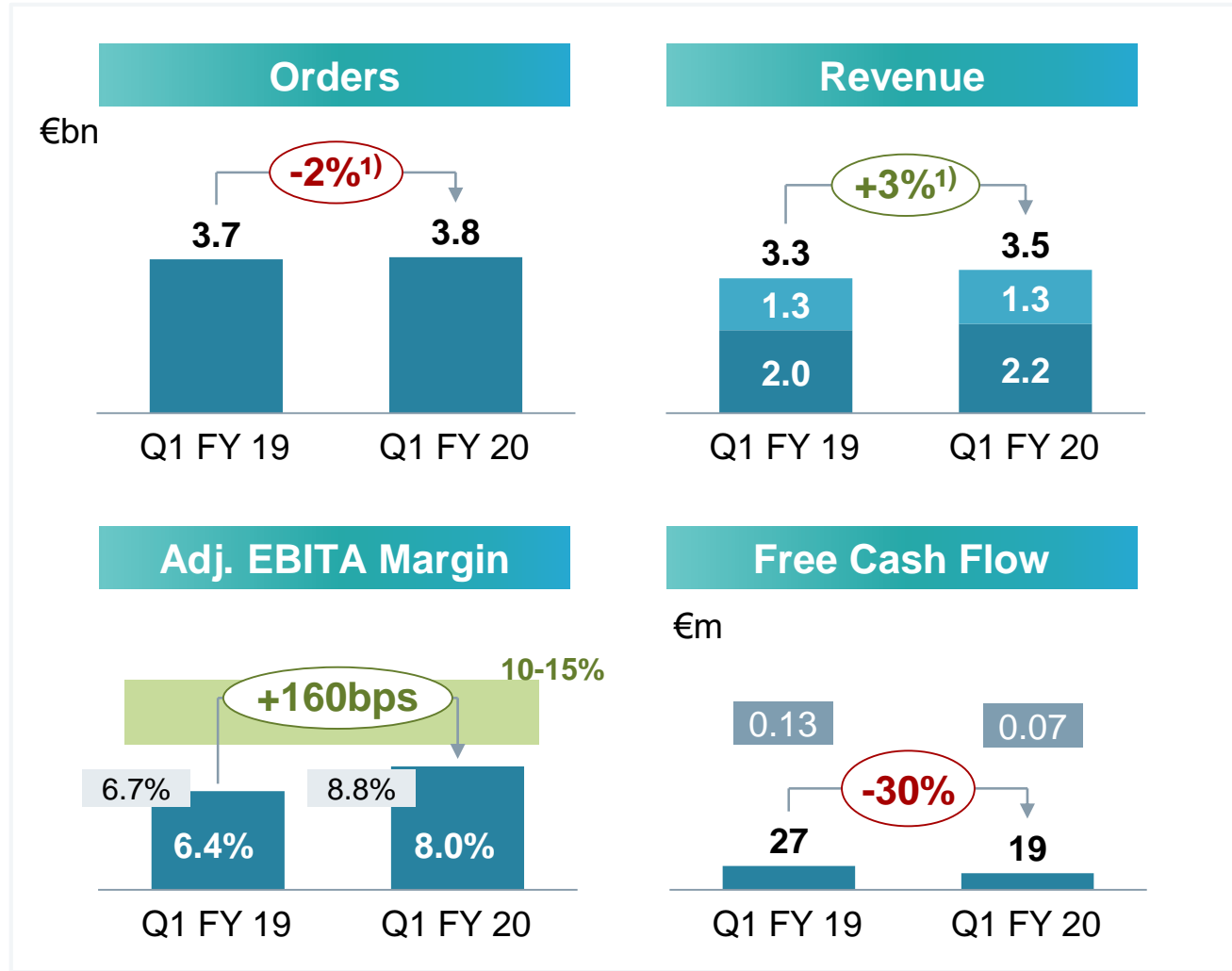


Solid free cash flow

¹) Comparable therein Software x.x% Adj. EBITA margin excl. severance x.x Cash Conversion Rate
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Smart Infrastructure (SI)

Solid performance - portfolio strengthened through C&S Electric



Revenue up across most businesses

Further softening in Products



Implementation of competitiveness program

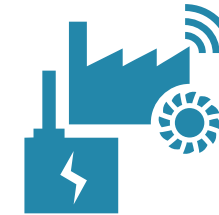
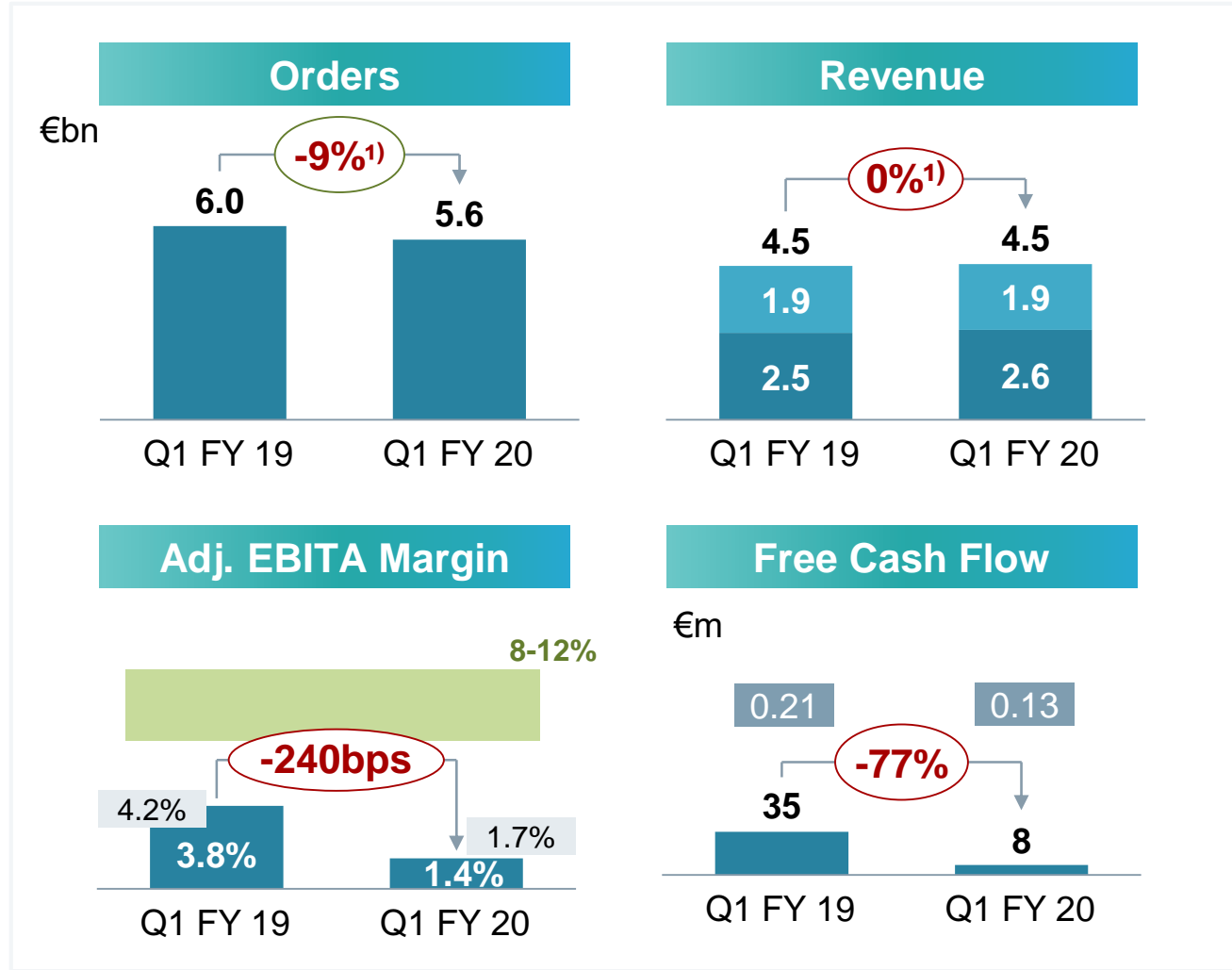
Continued grid edge invest



Free cash flow seasonally weak

¹) Comparable therein Products x.x% Adj. EBITA margin excl. severance x.x Cash Conversion Rate
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Gas and Power (GP) Spin off preparation on track



Revenue growth in
Transmission offset by
other businesses



Less favorable mix
Expenses for ramp up of
stand-alone company

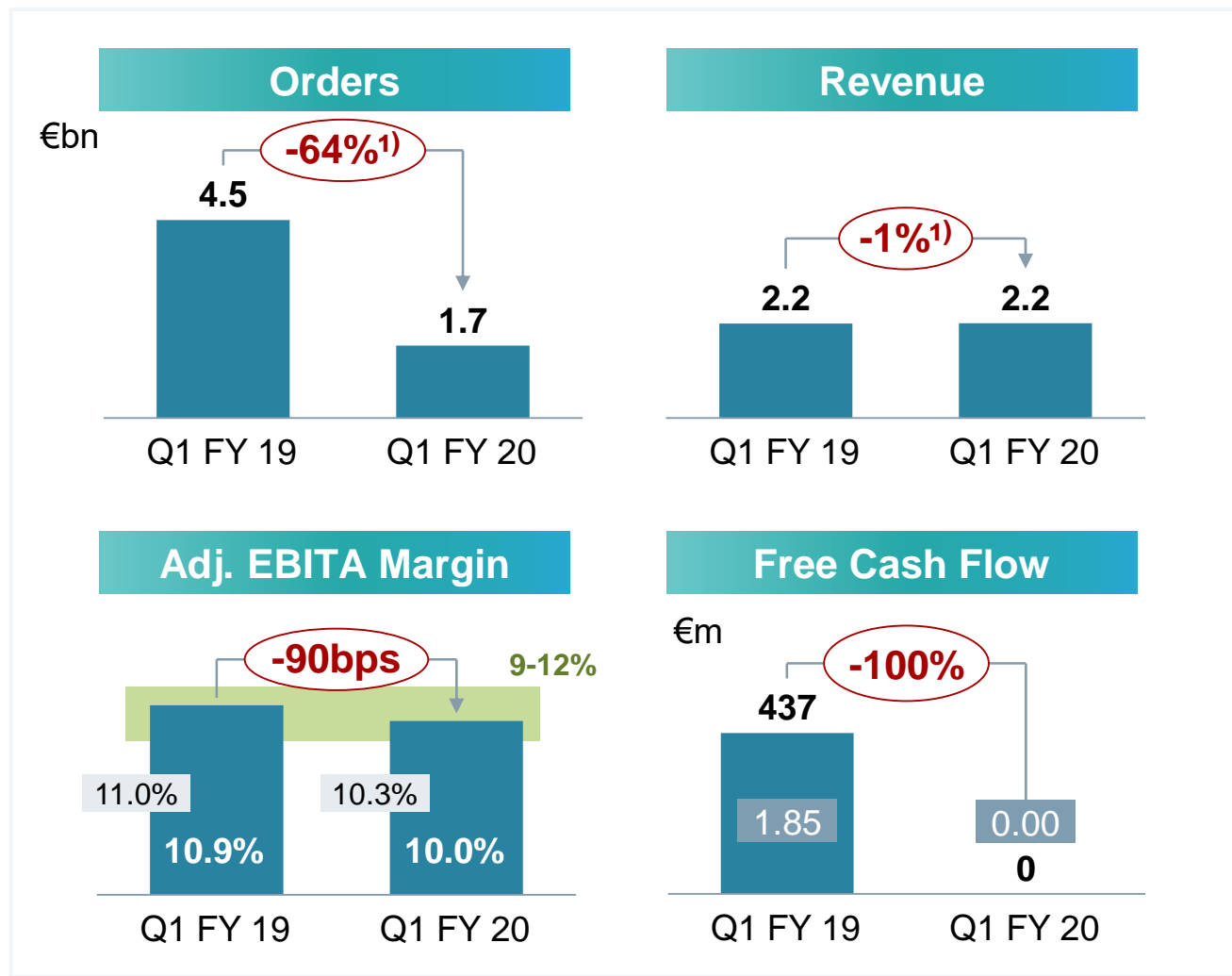


Free cash flow bounce
back after strong Q4 as
expected

¹⁾ Comparable therein Service x.x% Adj. EBITA margin excl. severance x.x Cash Conversion Rate
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Mobility (MO)

Sustainable margin performance for 25 quarters



Orders down on tough comps

Revenue ramp up as expected in quarters to come



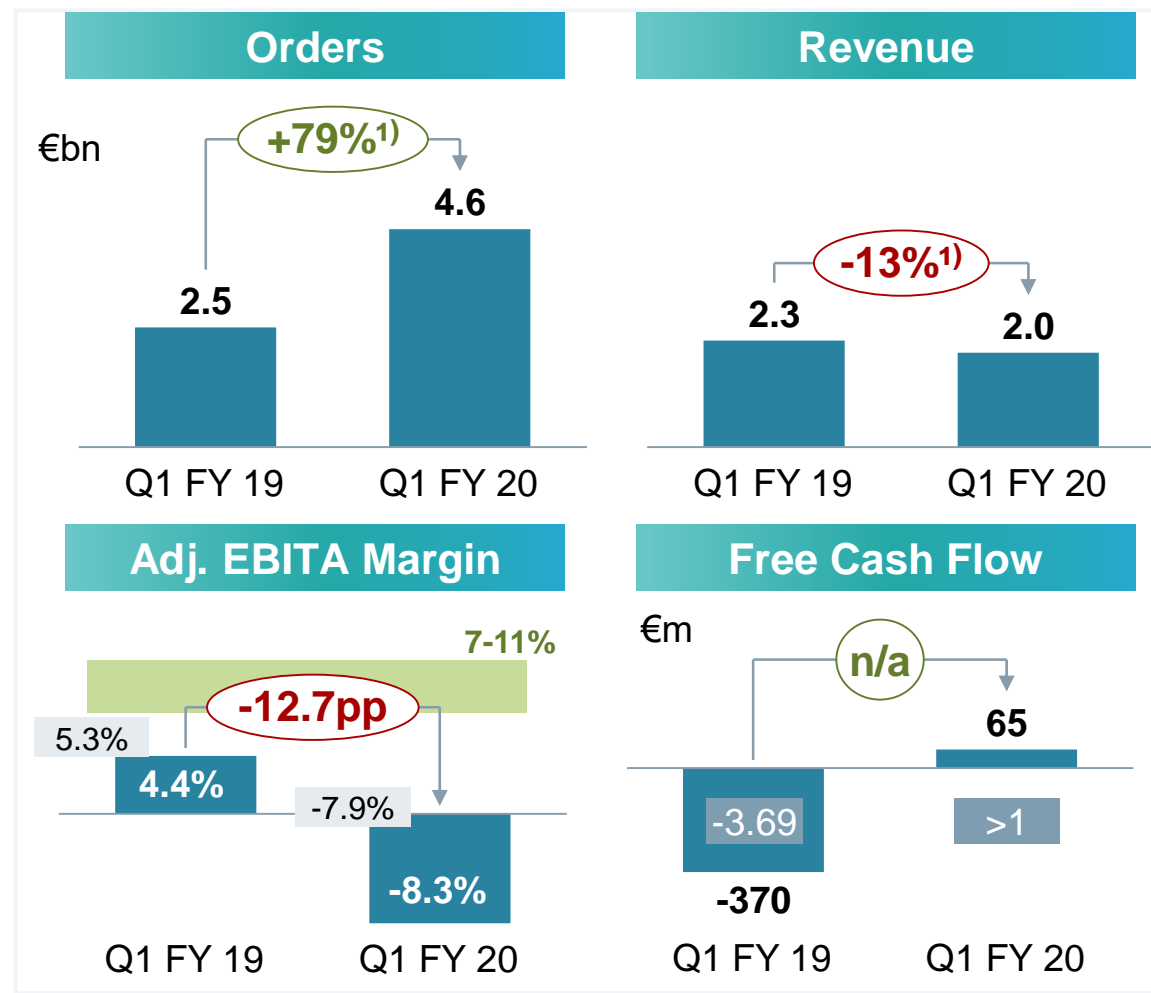
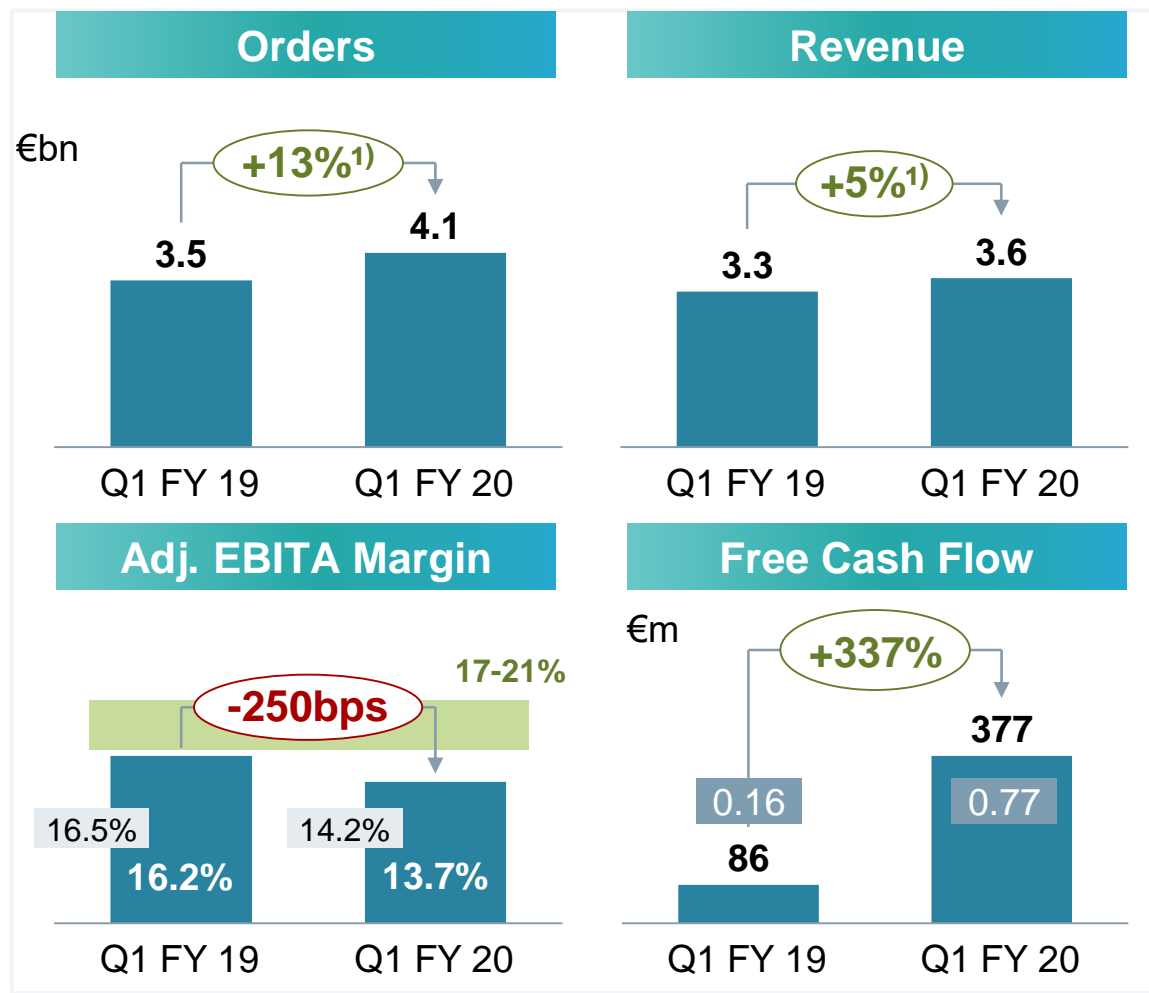
Profit impact from lower revenue



Swing back from strong Q4

¹⁾ Comparable x.x% Adj. EBITA margin excl. severance x.x Cash Conversion Rate

Disappointing profitability of listed Strategic Companies



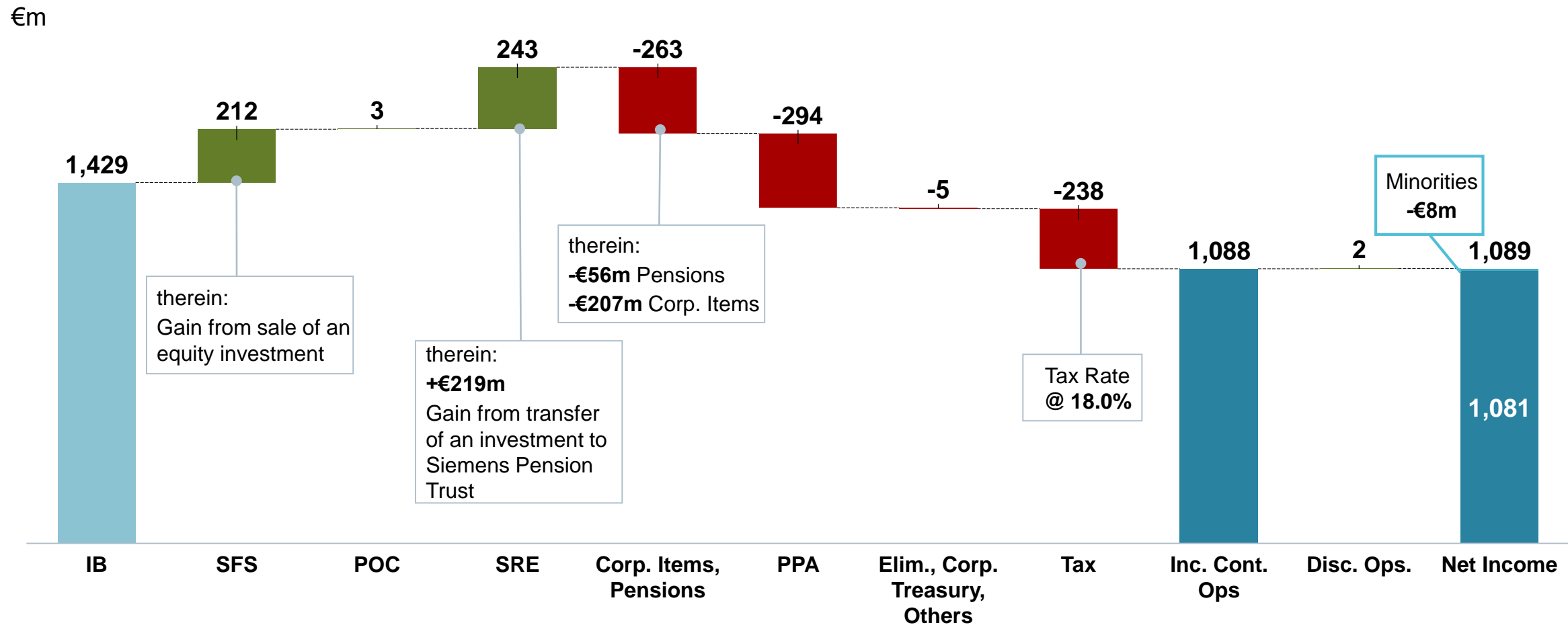
SIEMENS

Ingenuity for life

¹⁾ Comparable x.x% Adj. EBITA margin excl. severance x.x Cash Conversion Rate

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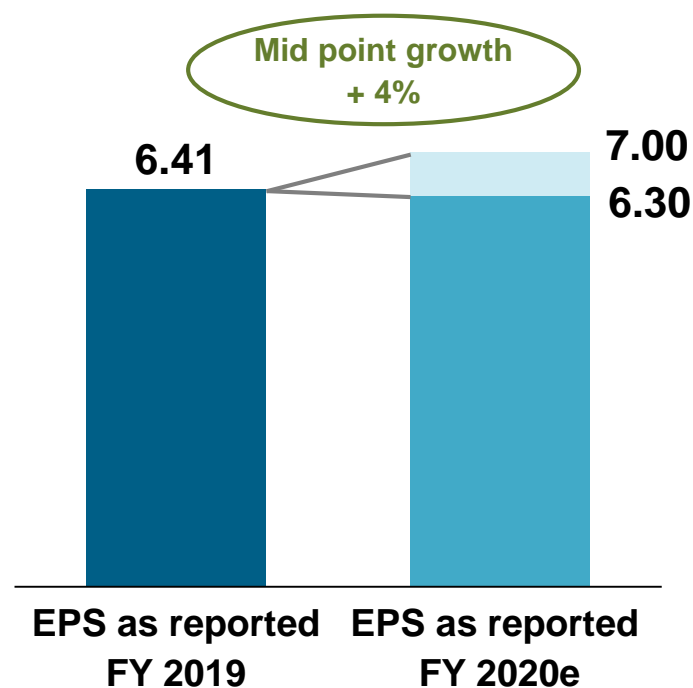
Q1 FY 2020 - Below Industrial Businesses



Outlook FY 2020 confirmed

FY20 Framework Siemens Group

- Book-to-bill > 1
- Moderate comp. revenue growth



FY20 Framework Siemens non-listed Companies

	Comparable revenue growth	Adj. EBITA margin expectation ¹⁾
Digital Industries	Flat	17 - 18%
Smart Infrastructure	Moderate	10 - 11%
Mobility	Mid-single digit	10 - 11%
Gas and Power	Moderate	2 - 5%

¹⁾ as reported

Appendix



Q1 FY 2020

Impact from IFRS 16



	Q1 2020	Impact IFRS 16
Industrial Businesses		
Adj. EBITA Margin	7.3%	Minor impact
Free Cash Flow	€863m	+€0.1bn
Cash Conversion Rate	0.60	+0.08
Siemens Group		
Net income	€1.1bn	Minor impact
EBITDA (c/o)	€2.2bn	+€0.2bn
Free Cash Flow ('all-in')	€44m	+€0.2bn
Average Capital employed	€56.9bn	+€1.6bn
ROCE ('all-in')	7.9%	-0.1pp
Industrial Net Debt / EBITDA	0.9x	+0.3x

~70% in Strategic Companies
~30% in Operating Companies

Therein SRE +€0.1bn

Provisions decreased in Q1 mainly due to increased discount rate & contributions incl. a transfer of an investment to Siemens Pension Trust



Q1 FY 2020 – Pensions and similar obligations

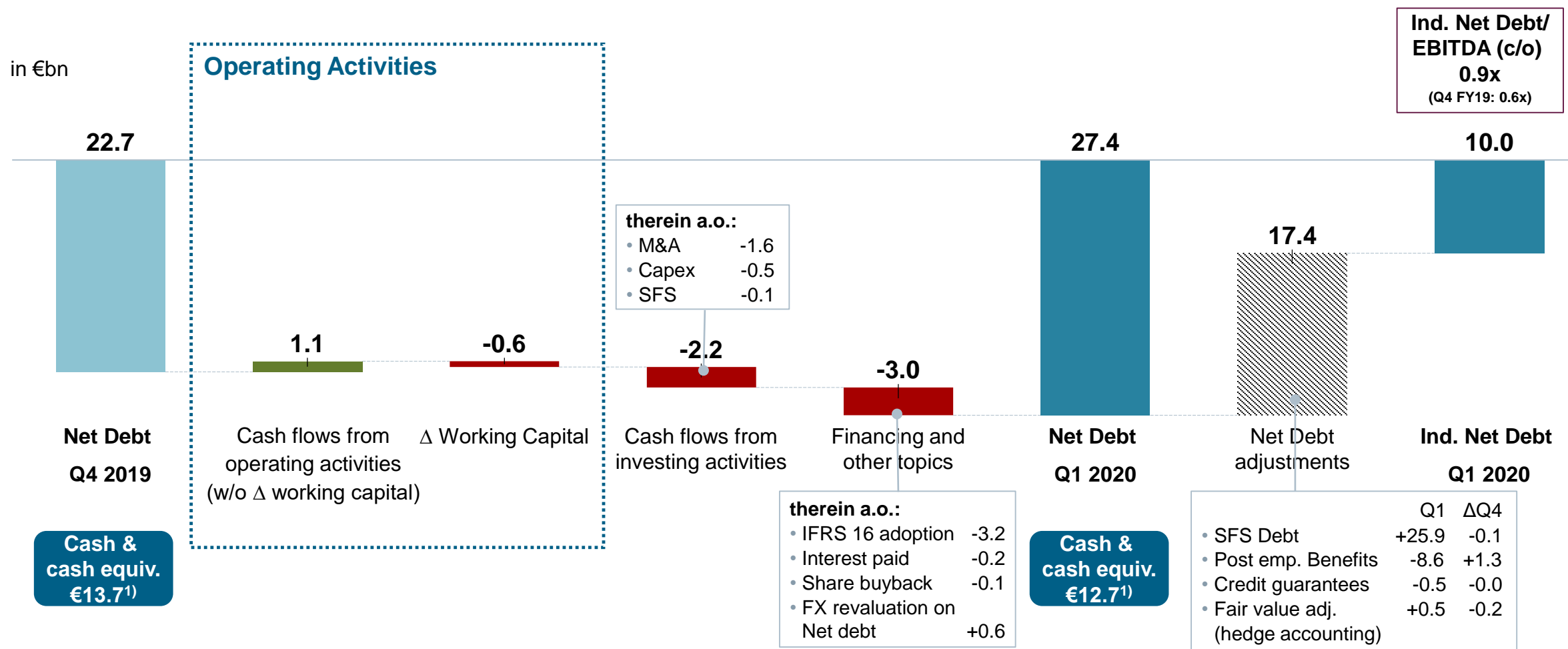
in €bn ¹	FY 2017	FY 2018	FY 2019	Q1 FY 2020
Defined benefit obligation (DBO) ²	-36.9	-35.9	-40.3	-39.2
Fair value of plan assets ²	27.6	28.7	31.3	31.2
Provisions for pensions and similar obligations	-9.6	-7.7	-9.9	-8.6
Discount rate	2.4%	2.4%	1.3%	1.5%
Interest income	0.5	0.5	0.6	0.1
Actual return on plan assets	0.3	0.4	3.2	-0.5

1) All figures are reported on a continuing basis

2) Difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q1 2020: +€0.6bn); defined benefit obligation (DBO), including other post-employment benefit plans (OPEB) of -€0.6bn

Q1 FY 2020

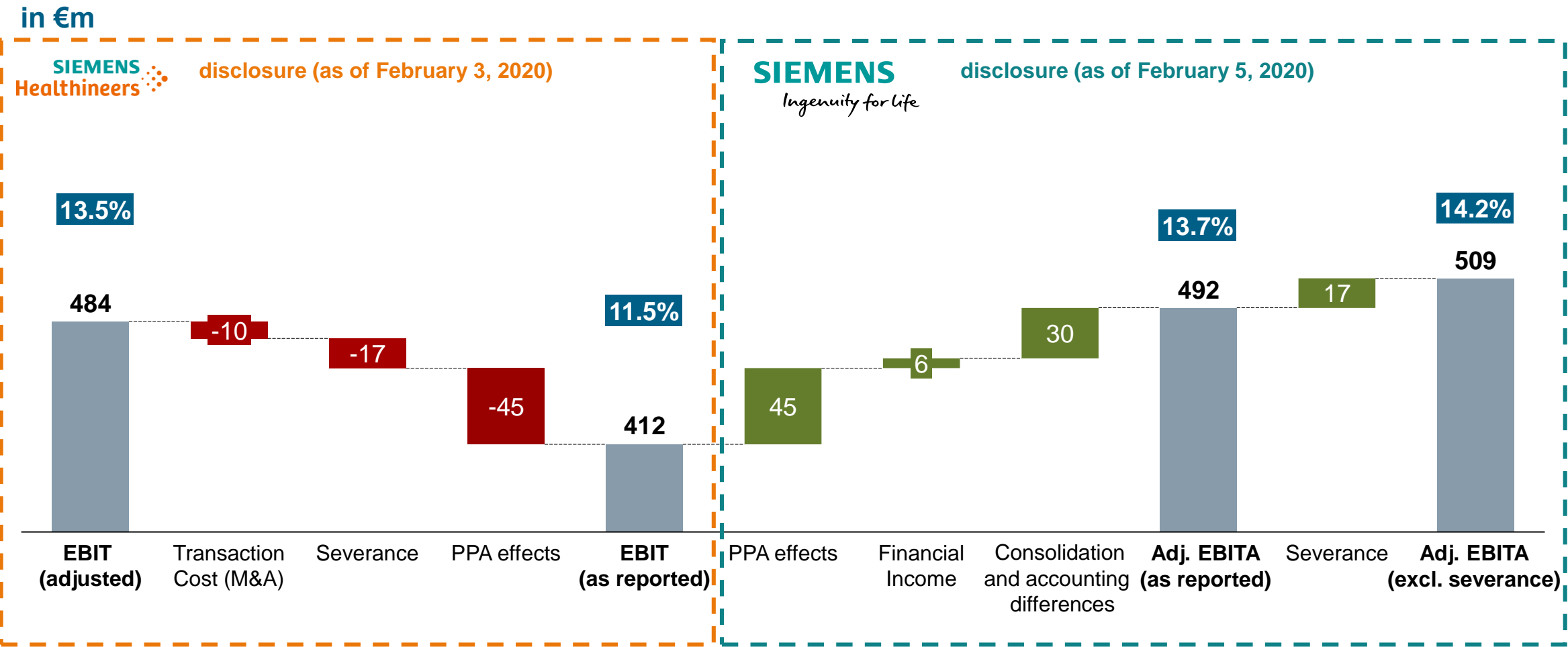
Net debt bridge



1) Including current interest-bearing debt securities formerly shown as current available-for-sale financial assets.

Q1 FY20 Profit Bridge from SHS disclosure to SAG disclosure

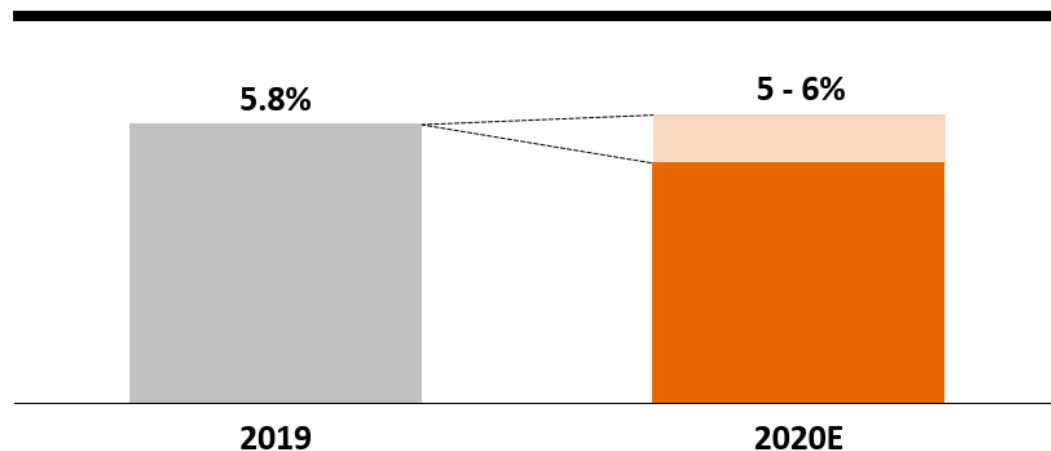
Different profit definitions at SHS and SAG to be considered in models



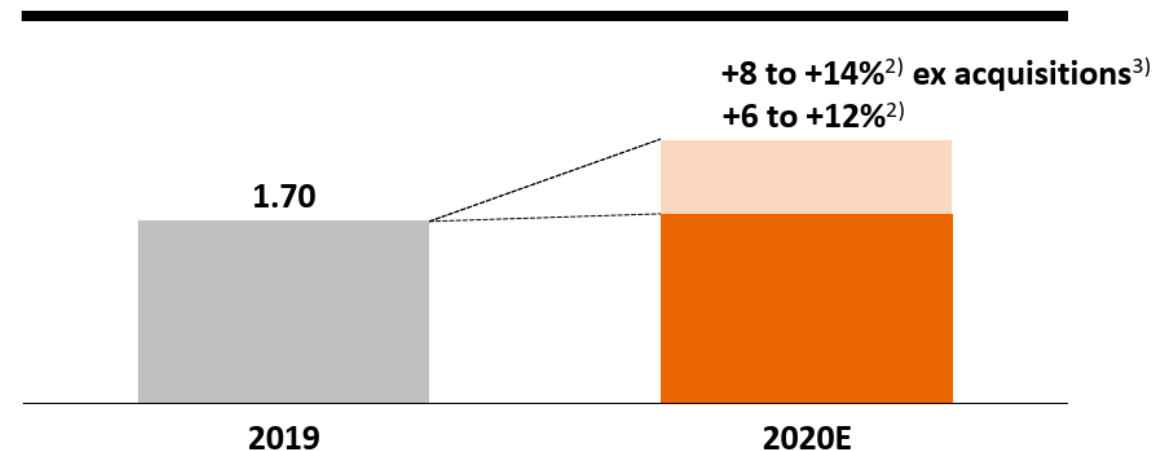
x.x% Margin

As disclosed
on February 3, 2020

Comparable revenue growth¹⁾



Adj. basic EPS growth



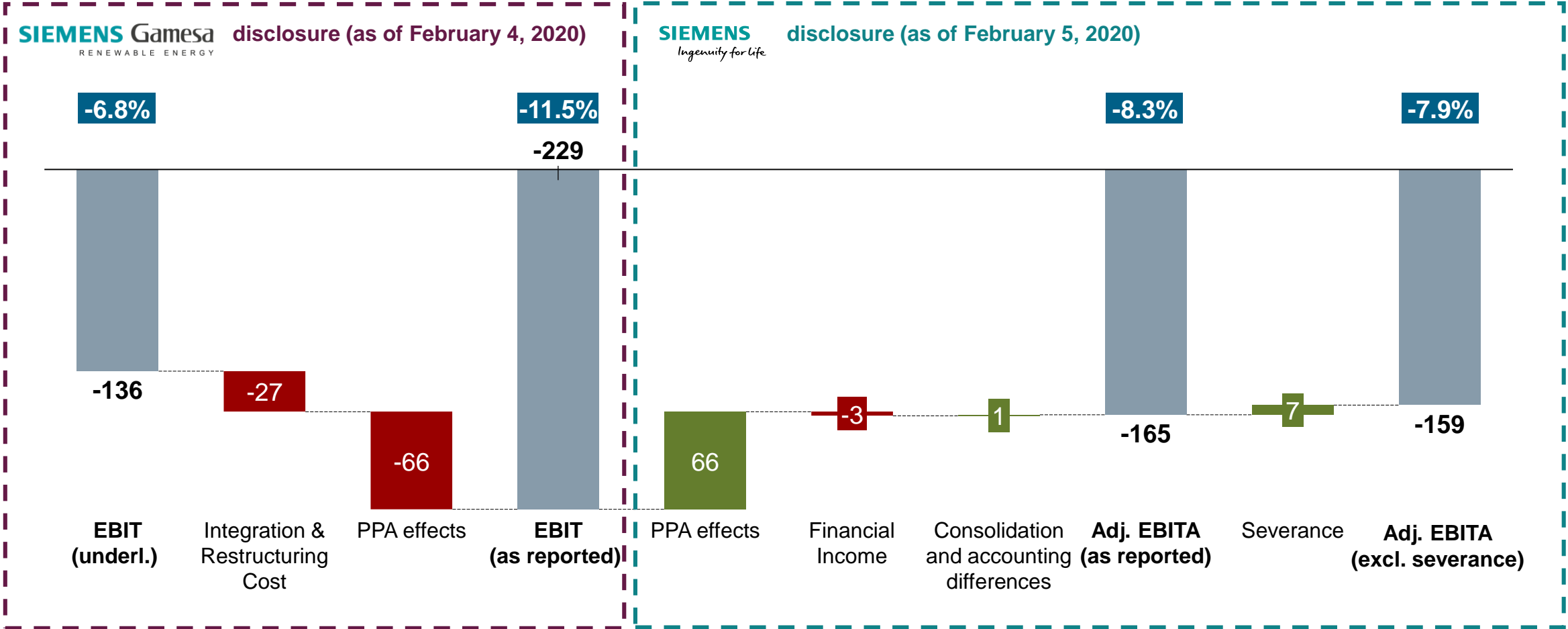
1 Y-o-y on a comparable basis, excluding currency translation and portfolio effects | **2** The outlook is based on current foreign exchange rate assumptions and on the current portfolio | **3** Excluding effects from acquisition of Corindus Robotics, ECG Management Consultants and MiniCare

Q1 FY20 Profit Bridge from SGRE to SAG disclosure

Different profit definitions at SGRE and SAG to be considered in models



in €m



Q1 20 impacted by unforeseen one-time extra-costs; EBIT margin pre PPA and I&R costs adjusted accordingly

Guidance ¹	Q1 20	FY 20E ² OLD	FY 20E ² NEW	
Revenue (in €m)	2,001	10,200 - 10,600	10,200 - 10,600	✓
EBIT margin pre PPA and I&R costs (in %)	-6.8%	5.5% - 7.0%	4.5% - 6.0%	-1.0%

1) Guidance excludes the impact of the acquisition of selected assets of Servion and any impact from the change in the composition of SGRE shareholder base

2) This outlook excludes charges related to legal and regulatory matters and it is given at constant FX rates

Siemens Financial Framework



Siemens (targets over the cycle)

Growth Siemens

comparable revenue growth

4 – 5%

Capital efficiency

ROCE¹⁾

15 – 20%²⁾

Industrial Businesses margin³⁾

11 – 15%

Capital structure

Industrial net debt/EBITDA

up to 1.0x

Cash conversion (CCR)

FCF IB / Adj. EBITA IB

CCR = 1 – comp. growth rate

Dividend payout ratio

40 – 60%⁴⁾

Operating Companies

Adj. EBITA margin ranges³⁾

**Digital
Industries**
17 – 23%

**Smart
Infrastructure**
10 – 15%

**Gas and
Power**
8 – 12%

Strategic Companies

Adj. EBITA margin ranges³⁾

Mobility
9 – 12%

**Siemens
Healthineers**
17 – 21%

**Siemens
Gamesa R. E.**
7 – 11%

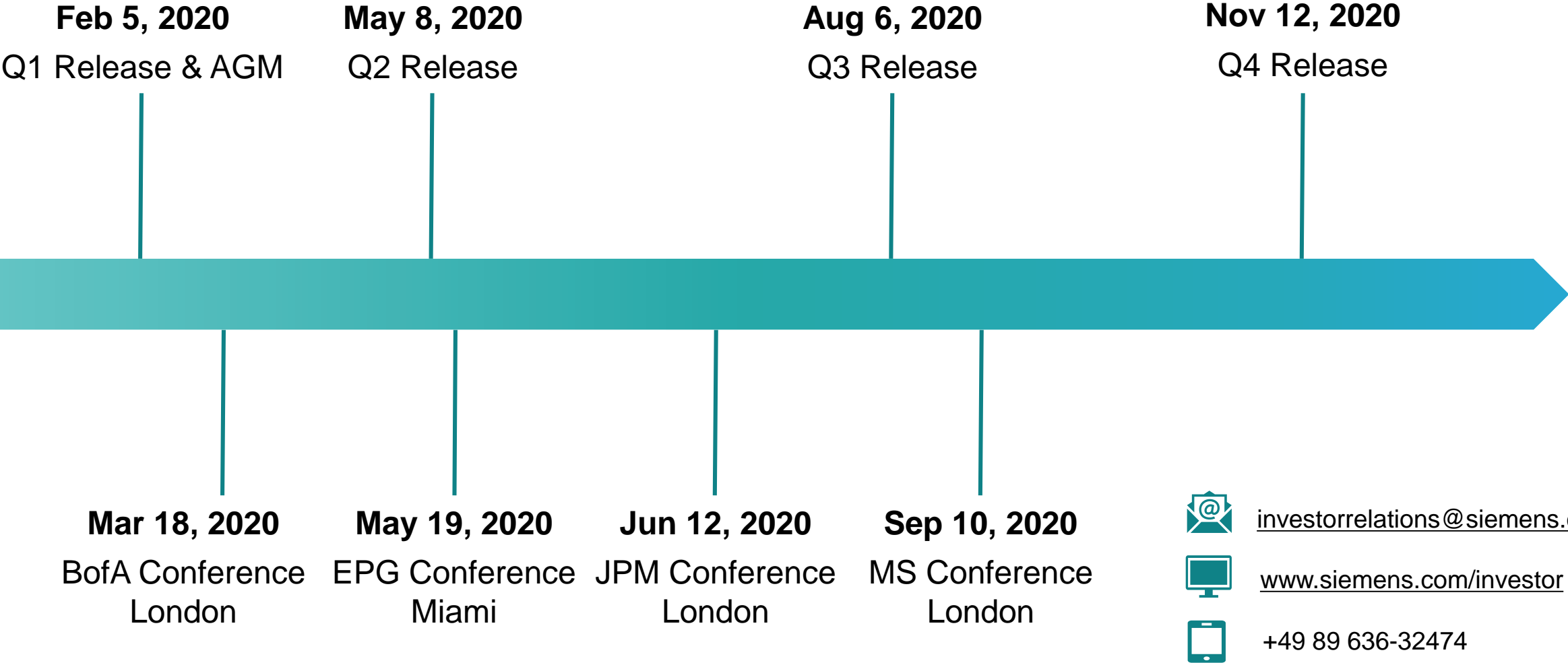
Service Company

RoE⁵⁾

**Financial
Services**
17 – 22%

1) Based on continuing and discontinued operations; 2) Long-term goal; currently ROCE burdened by significant M&A; 3) EBITA adjusted for operating financial income, net and amortization of intangible assets not acquired in business combinations; margin ranges for Siemens Healthineers and Siemens Gamesa R. E. reflect Siemens expectation; 4) Of net income attributable to Siemens shareholders excluding exceptional non-cash items; 5) Return on equity after tax

Financial calendar



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