

# Supply Chain Finance@ Siemens

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siemens.com/finance

# Supply Chain Finance – an alternative form of finance

# Supply Chain Finance@Siemens has been developed by Siemens Financial Services (SFS) especially for selected Siemens suppliers.

Supply Chain Finance@Siemens offers suppliers an opportunity to convert 100% of their Siemens receivables, irrespective of the amount of the individual claim, into non-recourse cash at a very attractive discount rate. The Supply Chain Finance Program (SCF Program) is a multibank solution and helps to improve the cash flow of selected Siemens suppliers and optimizes their working capital. Cooperation between Siemens and its suppliers will become even more efficient with the utilization of the SCF Program.

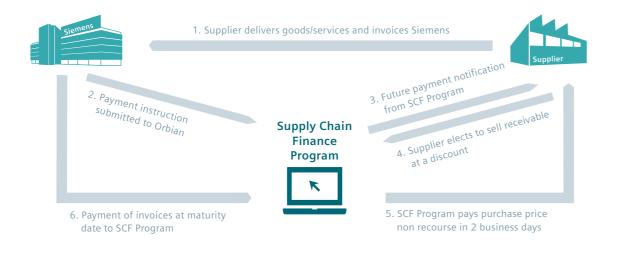
\*ORBIAN Corp is an international company focusing on supply chain finance solutions. It was founded by SAP and Citibank and is now held privately. For more information, please see: http://www.orbian.com

SFS is responsible for the introduction of the SCF Program and the organization of cooperation between the partners involved. Siemens has opted for Orbian\*, one of the leading companies in the field of supply chain finance solutions, to provide a platform for the management of funding. By providing internet access for Siemens suppliers, the Orbian platform offers a very efficient and user-friendly interface.

### Financing for a strong supply chain

#### The Supply Chain Finance process

The Siemens Supply Chain Finance Program enables selected Siemens suppliers to improve their liquidity by selling their Siemens receivables to Orbian\* at very attractive rates.



### Conditions

\*\* BBSW (AUD) + 1.4% p.a. is valid for suppliers with an annual sales volume to ORBIAN between AUD 150k and AUD 15m. With regard to the invoice amount, smaller suppliers with less than AUD 150k in annual sales volumes are the benefit of the suppliers. charged with 2,2% p.a. + BBSW (AUD) whereas bigger suppliers with annual sales volumes greater than AUD 15m are charged with 1.2% p.a. + BBSW (AUD).

The current discount rate is BBSW (AUD) + 1.4% p.a.\*\* The BBSW (AUD) is determined daily. The additional 1.4 %\*\* is a fixed fee covering the costs of the program as well as those of the banks providing the fund for

When selling the receivable the supplier has to pay a discount on the face value of its receivable.

#### **Selling options**

A supplier can choose from two types of accounts to sell his receivables:

#### 1. Auto discount

Supplier elects upfront to automatically sell all Siemens-approved payments (receivables) to Orbian\* at the pre-negotiated discount rate.

2. Manual discount

#### Example

A supplier delivers products worth AUD 1 million. The payment is due in 90 days (net). When participating in the SCF program, the supplier will receive the payment 80 days earlier.

Discount rate:	3.4% p.a	(BBSW (AUD) that means plu
Discount charge:	AUD 7,555	(1 m x 3.4% x
Discounted value receivable:	AUD 992,445	(cash received
Cash flow benefit:	AUD 220,543	(payment afte
	C +1	

Discount charge as a percentage of the receivable: 0.75%

### Summary of supplier benefits at a glance

- liquidity, reduces Days Sales Outstanding (DSO) and improves the debt/equity ratio.
- approved and reduce Account Receivable costs relative to Siemens receivables.

(receivables) immediately on their SCF web portal



Supplier has the option to select which of the approved payments (receivables) shall be sold to ORBIAN. A higher manual effort for ORBIAN increases the discount rate by 0.15% p.a.

> is e.q. 2,0%, lus 2.0% for the fee calculation) (80/360))

ed by supplier)

ter 10 days instead of 90)

## Information and contact

Did we spark your interest? Your contact person at Siemens will gladly inform you about our offers. Additionally, the Supply Chain Finance team at SFS is available to answer any of your queries:

Phone: +49 89 636-33144

mailto: supply-chain-finance.sfs@ siemens.com

You will find further information online: www.siemens.com/ supply-chain-finance

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The Siemens Financial Services Division (SFS) provides business-to-business financial solutions. We facilitate customer investments with leasing and equipment solutions as well as project and structured financing. In addition to providing capital for customers at Siemens and other companies, we also serve as an advisor and manager for financial risks within Siemens. Our combined financial and industry knowhow creates value for our customers and enhances their competitiveness. By providing accompanying financing, we also build trust in new technologies and enable innovative business models.

