

An alternative form of finance | Supply Chain Finance Supply Chain Finance | An alternative form of 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.

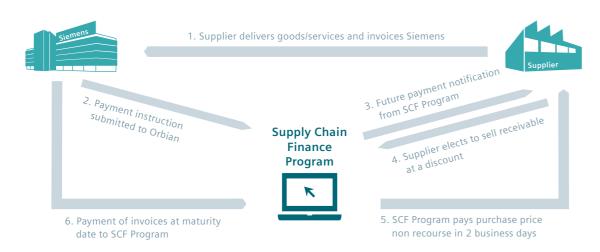
SFS is responsible for the introduction of the SCF Program and the organization of cooperation between the partners involved. Siemens has opted for Orbian*, one of the leading companies in the field of supply chain finance solutions, to provide a platform for the management of funding. By providing internet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

*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

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

The current discount rate is EUR LIBOR + 1.2% p.a.** The EUR LIBOR is determined as well as those of the banks providing the fund for the benefit of the suppliers.

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

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.

Example

A supplier delivers products worth EUR 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:	1.2 % p.a.	(EUR LIBOR is currently negative, that means 0.00% for the fee calculation)
Discount charge:	EUR 2,666	(1 m x 1.2% x (80 / 360))
Discounted value receivable:	EUR 997,333	(cash received by supplier)
Cash flow benefit:	EUR 221,629	(payment after 10 days instead of 90)

Discount charge as a percentage of the receivable: 0.3%

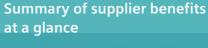
Information and contact

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:

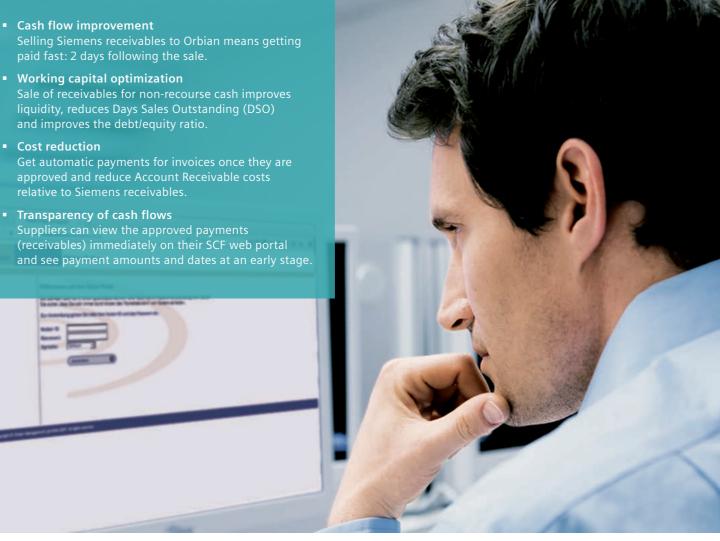
Phone: +49 89 636-33144

supply-chain-finance.sfs@ siemens.com

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



- paid fast: 2 days following the sale.
- liquidity, reduces Days Sales Outstanding (DSO)



** EUR LIBOR + 1.2% p.a. is valid for suppliers with an annual sales volume to ORBIAN between EUR 100,000 and EUR 10 million. With regard to the invoice amount. smaller suppliers with less than FUR 100 000 in annual sales volumes are charged with 2% p.a. + EUR LIBOR whereas bigger suppliers with annual sales volumes greater than EUR 10 million are charged with 1% p.a. + LIBOR

daily in London. The additional 1.2%** is a fixed fee covering the costs of the program

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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.

