Fully on track for another strong year

Joe Kaeser, Ralf P. Thomas, Michael Sen
Press Call Q3, fiscal 2017
Munich, August 3, 2017

Notes and forward-looking statements

SIEMENS
Ingenuity for life

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.

Q3 FY 2017
Fully on track for another strong year

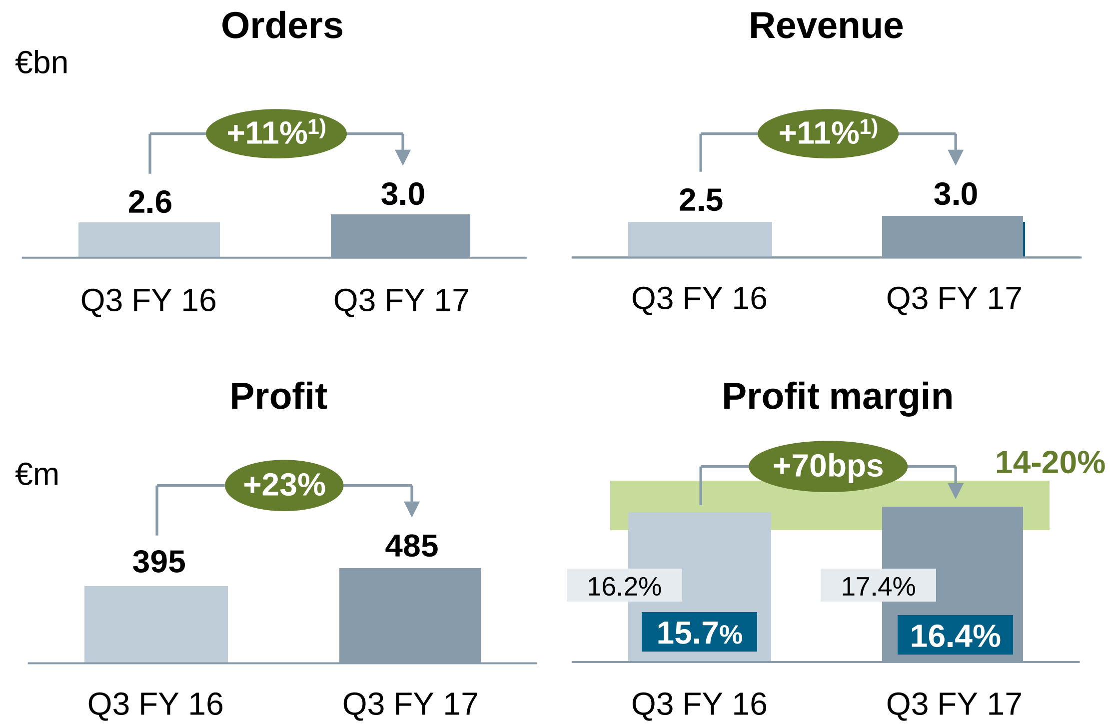
SIEMENS
Ingenuity for life

- **Strong net income up 7% at €1.5bn; EPS at €1.74 up 6%**
- **Industrial Business margin at 10.4% (-40bps), impacted by M&A effects related to Gamesa and Mentor Graphics (-60bps)**
- **Revenue rose 8% driven by SGRE, Mobility and Digital Factory; +3% comparable**
- **Orders -6% due to sharply lower large orders in PG and SGRE; -9% comparable; smaller orders significantly up; continued strong short-cycle business**
- **Solid free cash flow of €0.9bn**
- **Further steps taken to strengthen leadership position in digitalization – MindSphere gains traction**

DF: Very strong short-cycle and software business momentum
PD: Selected pick up in orders, structural realignment continues

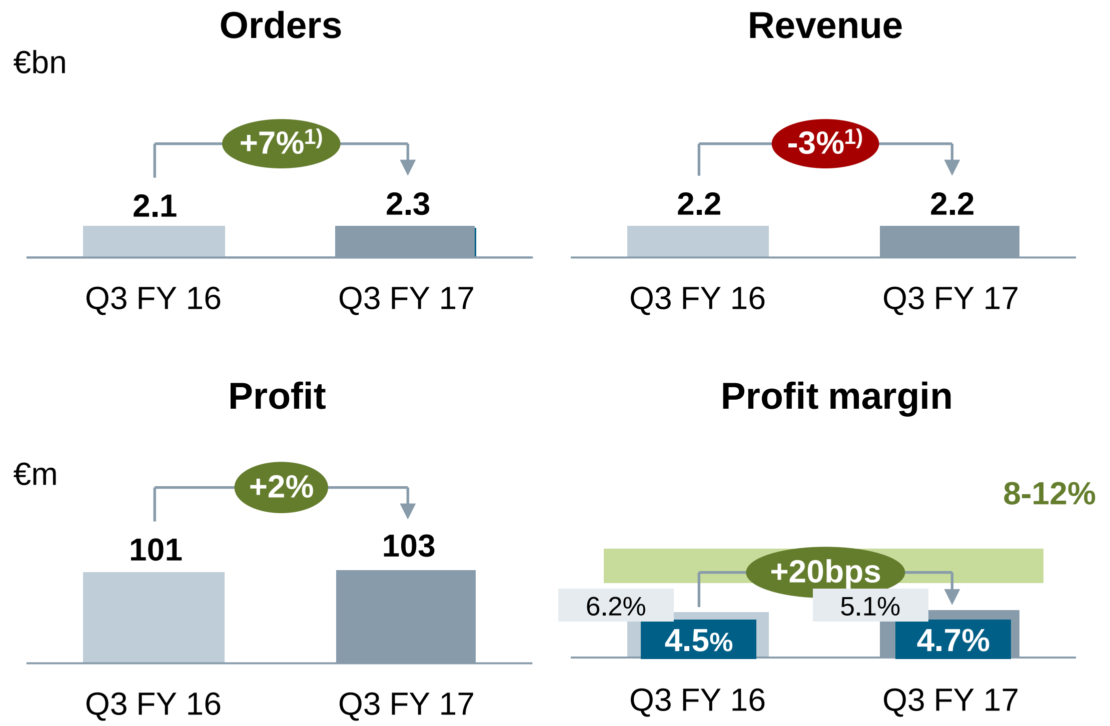
SIEMENS
Ingenuity for life

Digital Factory (DF)



- Strong top-line growth and margin expansion driven by excellent short-cycle and software business
- M&A effects of ~-260bps and MindSphere of ~-100bps

Process Industries and Drives (PD)



- Large solution orders and strong demand in China
- Operational challenges particularly in Large Drives

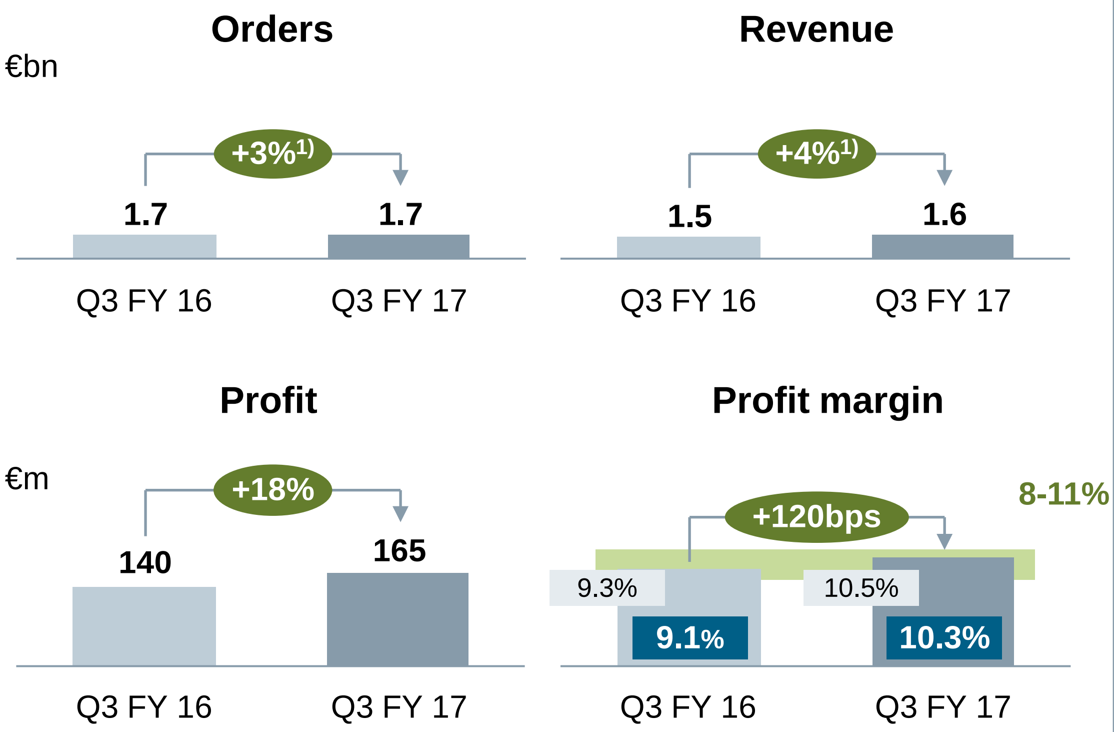
1) Comparable, i.e. adjusted for currency translation and portfolio effects

x.x% Margin as reported x.x% Margin excl. severance

BT: Excellent performance continues
MO: Impressive customer wins and convincing performance

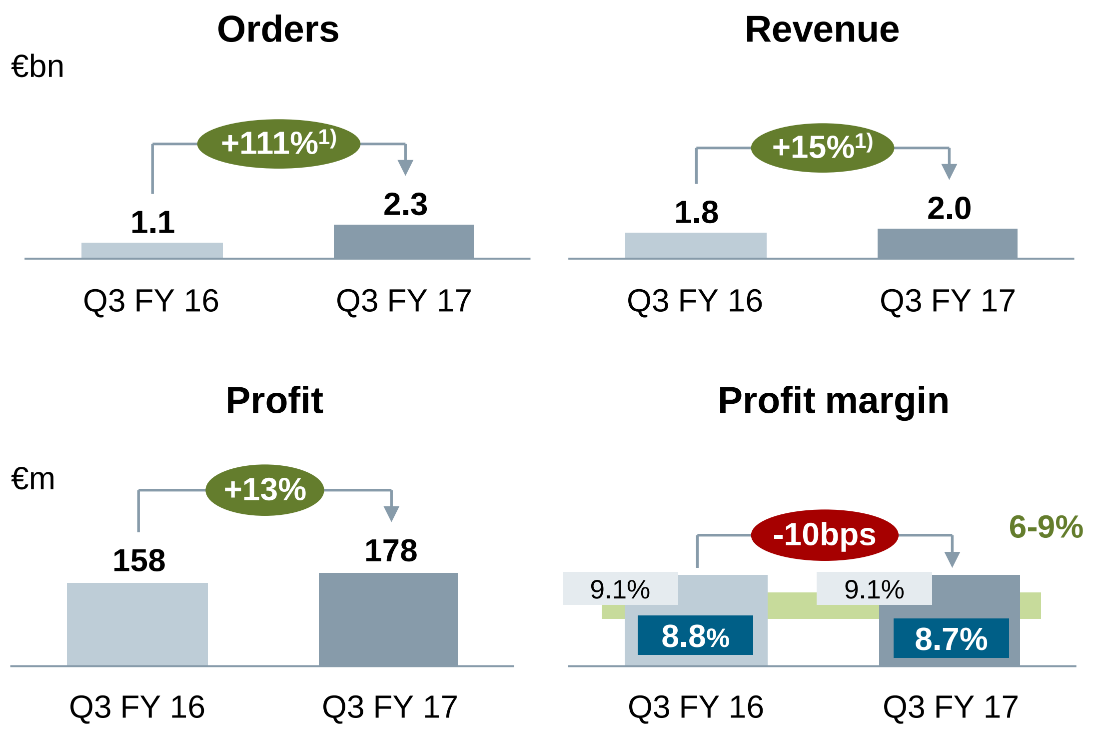
SIEMENS
Ingenuity for life

Building Technologies (BT)



- U.S. and Germany drive order growth
- Revenue up on strong product and service business
- Growth and strong execution lead to margin expansion

Mobility (MO)



- Orders up across all businesses and regions
- Broad-based revenue growth driven by rolling stock, incl. execution of large projects & locomotive shipments

1) Comparable, i.e. adjusted for currency translation and portfolio effects

x.x% Margin as reported   x.x% Margin excl. severance

Mobility – new orders

SIEMENS
Ingenuity for life

- Large order for Mireo from DB Regio for Rhein-Neckar-Bahn
- Order for another 30 light rail vehicles from Seattle‘s Sound Transit; total is now 152

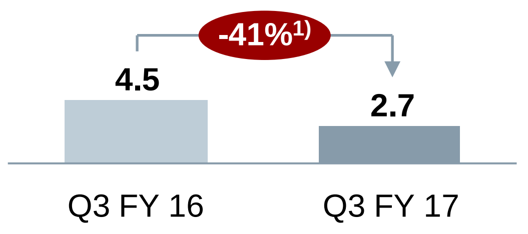
PG: Market contraction impacts top and bottom line
EM: Revenue growth continues, less favorable business mix

SIEMENS
Ingenuity for life

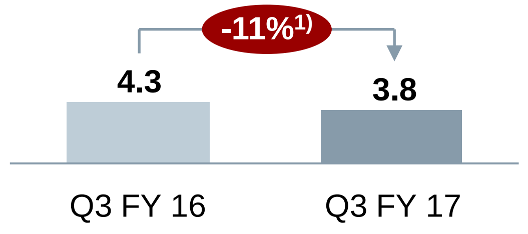
Power and Gas (PG)

Orders

€bn

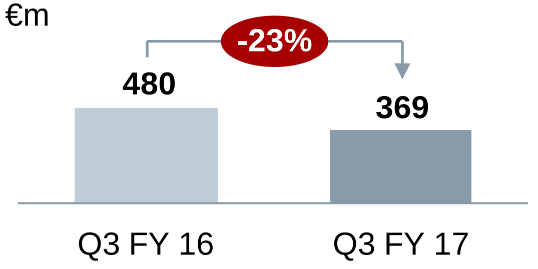


Revenue

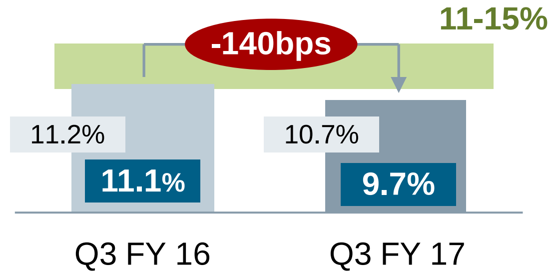


Profit

€m



Profit margin

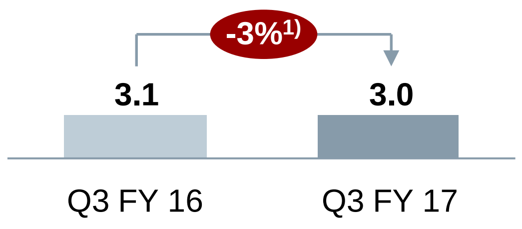


- **Strategic partnership with Duke Energy**
- **Revenue decline mainly in LGT and compression business**
- **Continued price pressure due to overcapacities**

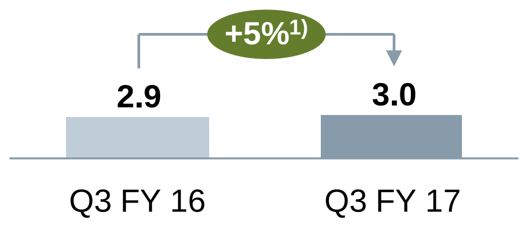
Energy Management (EM)

Orders

€bn

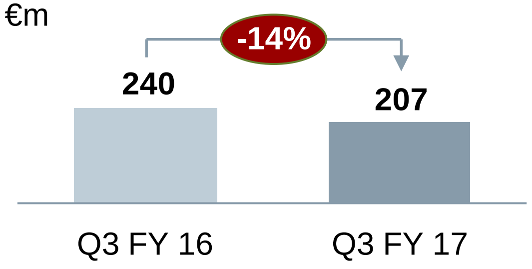


Revenue

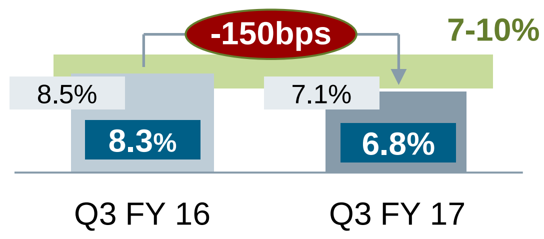


Profit

€m



Profit margin



- **Order growth except for transformer business**
- **Revenue growth in Europe and Asia**
- **Business mix weighs on margin**

1) Comparable, i.e. adjusted for currency translation and portfolio effects

x.x% Margin as reported x.x% Margin excl. severance *(and excl. integration costs D-R for PG only)*

Power and Gas – cooperation with Duke Energy

SIEMENS
Ingenuity for life

HL-class turbine

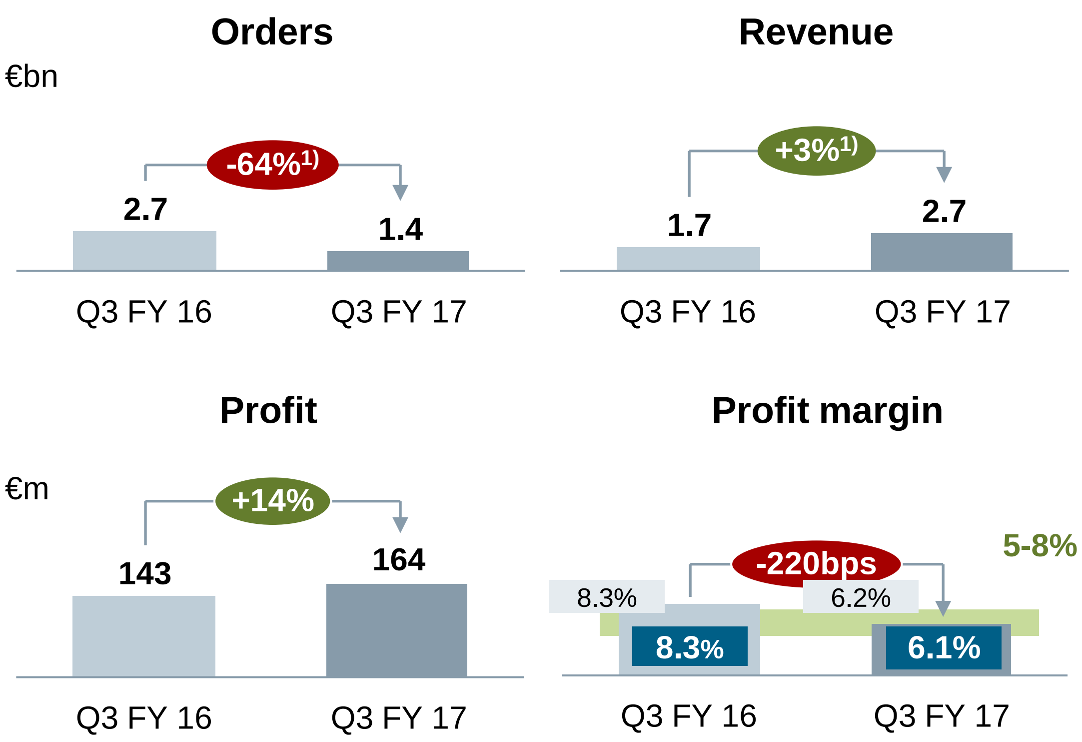
- Efficiency rating of 63 percent in near term, 65 percent in medium term
- Efficiency increase of 25 percent compared to turbines currently installed at customer location

DUKE ENERGY®

SGRE: Integration on track
HC: Decent performance driven by Diagnostic Imaging

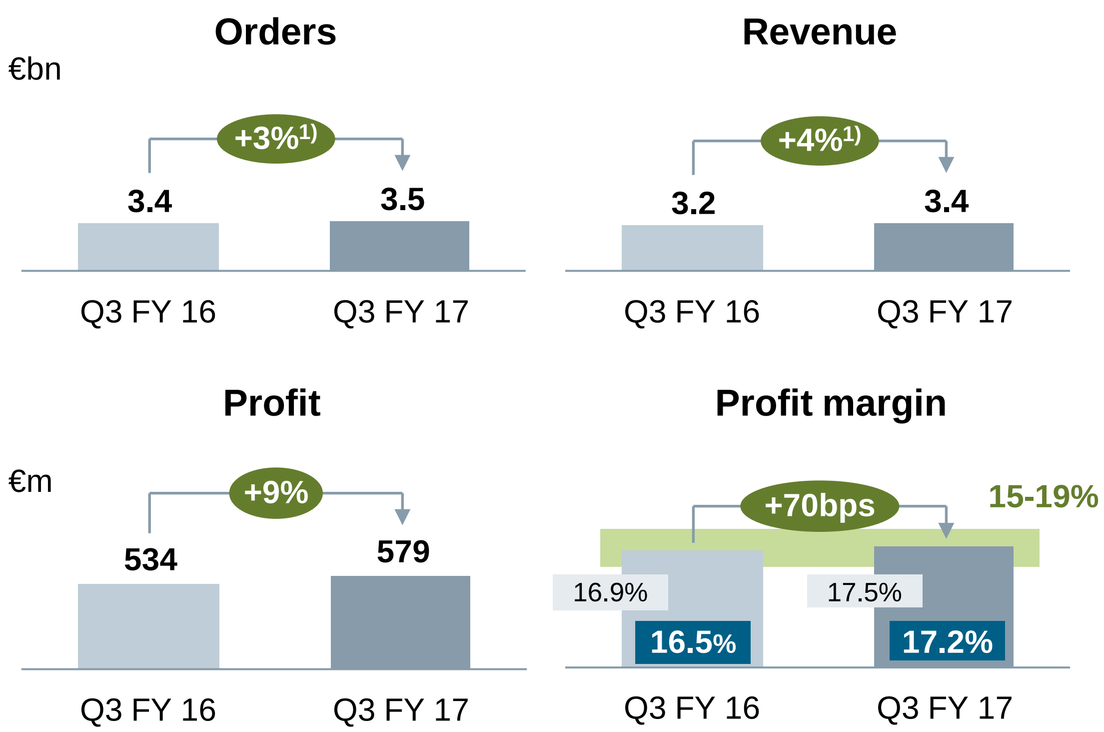
SIEMENS
Ingenuity for life

Siemens Gamesa Renewable Energy (SGRE)



- **Orders down on shift towards auction system in India and volatile offshore tenders**
- **Integration costs weigh on margin**

Healthineers (HC)



- **Order growth driven by Europe and Asia**
- **Revenue up double digit in China**
- **Diagnostic Imaging with excellent profitability**

1) Comparable, i.e. adjusted for currency translation and portfolio effects

x.x% Margin as reported x.x% Margin excl. severance

Siemens Healthineers

- Annual revenue of about €14 billion
- More than 47,000 employees worldwide
- Annual R&D spending of more than €1 billion

“Healthineers Strategy 2025” to secure market leadership beyond 2025

SIEMENS
Ingenuity for life

	2017-19	Mid-term	Mid-term and beyond
	Reinforcing	**Upgrading**	**New growth**
Strategic posture	Deliver on core business – growth fundamentals and productivity	Tap into adjacent growth markets	“Market leadership 2025”

Strategic priorities

- Substantial next generation product and platform launches are gaining traction in the market, e.g.,
  - CT SOMATOM go, Artis Pheno, MR MAGNETOM Vida
  - Atellica Solution and Atellica 360
  - Teamplay and Digital Ecosystem
- Execute on productivity initiative (>4% productivity increase p.a.)

Digital, Data, and AI

- **Precision Medicine**
- **Therapy of Tomorrow**
- **Patient Journey Steward**
- **Technology Enabled Services**

… move into

Clear path for Siemens Healthineers IPO

SIEMENS
Ingenuity for life

- [x] Decision to go public (Q4 FY 2016)
- [x] Healthineers Strategy 2025 and stringent execution roadmap launched (08/2017)
- [x] Significant new product launches gain traction in the market
- [ ] Atellica Solution entering the market (Q4 FY 2017)
- [ ] Combined financial statements and prospectus preparation
- [ ] Intention to float announcement
- [ ] Siemens Healthineers IPO (H1 CY 2018)

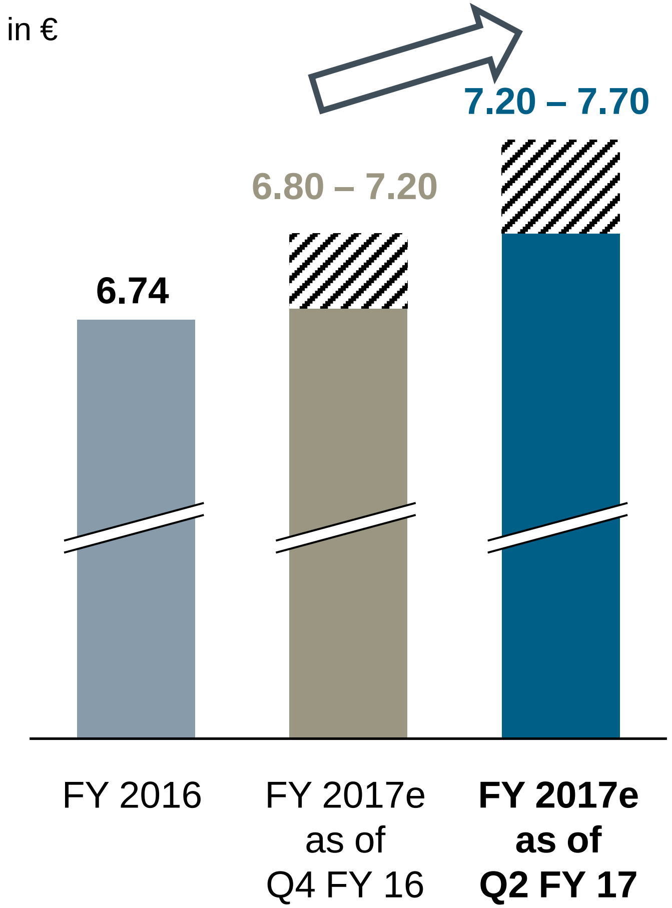
Siemens Gamesa Renewable Energy

- New management team with clear focus on driving down costs
  - Announced synergies are now the minimum goal and likely to be achieved earlier
  - Regional footprint to be optimized
  - “Best of two worlds” is criterion for portfolio decisions

Guidance FY 2017 confirmed

SIEMENS
Ingenuity for life

EPS ("all-in")



Note: FY 2016 weighted average number of shares of 809m

Guidance

We **confirm our expectations** for **fiscal 2017** presented with our results for Q2 FY 2017.

We continue to 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 the **profit margin** of our **Industrial Business** in the **range of 11.0% to 12.0%**, and **basic EPS from net income** in the **range of €7.20 to €7.70.**

This outlook **includes portfolio changes already closed** in the **first nine months of fiscal 2017**, particularly the **acquisition of Mentor Graphics** and the **Gamesa merger**, which **burden Industrial Business profit margin** and **basic EPS from net income in fiscal 2017**.

The outlook continues to exclude charges related to legal and regulatory matters as well as potential burdens associated with pending portfolio matters.

Siemens press contacts

SIEMENS
Ingenuity for life

Business and financial press	
Robin Zimmermann	+49 89 636-22804
Philipp Encz	+49 89 636-32934
Yashar N. Azad	+49 89 636-37970
Nicole Elflein	+49 89 636-35148
Richard Speich	+49 89 636-30017
Wolfram Trost	+49 89 636-34794

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