

Q3 - Strong team performance in challenging times! Strategy concept Vision 2020+ gains traction

Joe Kaeser, President and CEO
Roland Busch, Deputy CEO
Ralf P. Thomas, CFO
Analyst Call, August 6, 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.

While mastering Covid-19 challenges, we accelerate digital transformation



Secure employee health and safety
Maintain business continuity



New way of working



Close and reliable partner
for our customers



Secure robust supply chains



Safeguard profitability and liquidity



- Stringent execution of precautions
- SI and Salesforce partnership
- Boost employee satisfaction
- Accelerate savings
- Seamless product & service delivery
- Digital customer events
- Intensifying collaboration with suppliers
- Monitoring/minimizing supply risks with AI
- ~70% lower travel expenses in Q3 y-o-y
- Short time work, flexible working hours
- ~€4bn bonds issued (€/£)

Strategic concept Vision 2020+ gains traction

SIEMENS
Ingenuity for life

SIEMENS
energy

Spin-Off



**99.36% approval rate
at EGM**

SIEMENS
Healthineers

acquires

varian

One step. 
Two leaps

**Transformational
milestone**

Digital Industries Software



**Partnership between
two industrial leaders**

Q3 – Strong operating performance in challenging times

Orders

-7%



Revenue

-5%



IB Adj. EBITA margin

14.3%



EPS

€0.67



Free Cash Flow (all-in)

€2.5bn



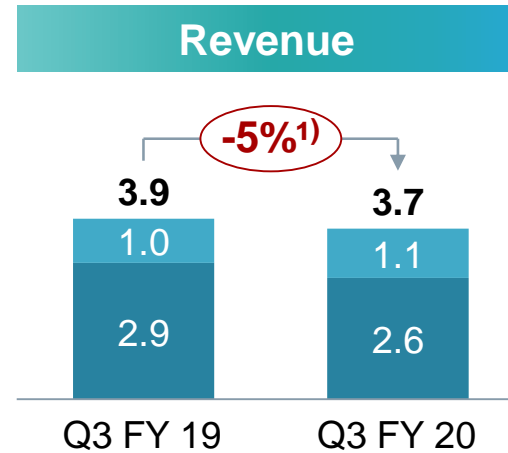
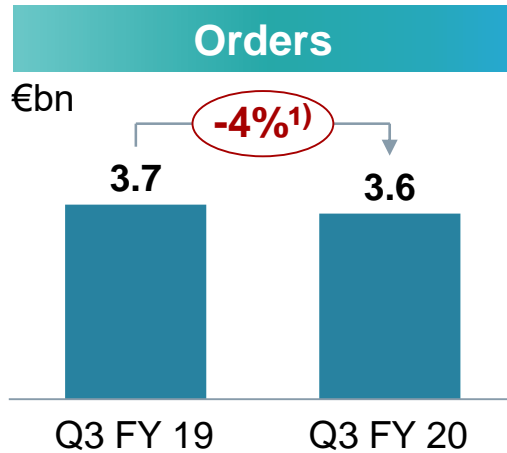
Indust. ND/EBITDA

1.7x



Digital Industries (DI)

Market share gains in a very diverging environment



Orders:

Significant Covid-19 impact cushioned by China & large Mentor wins

Revenue:

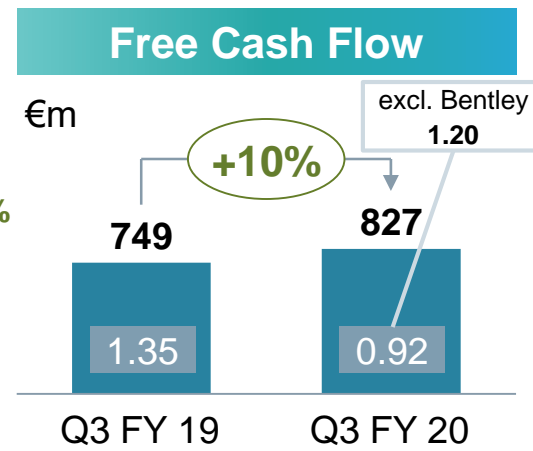
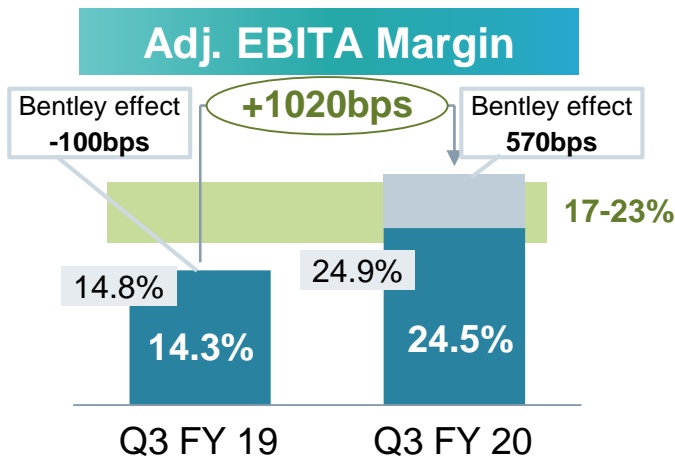
Automation significantly down
Software clearly up

Margin:

Stringent cost management
Excellent software contribution
€211m Bentley revaluation effect

Free cash flow:

Very effective working capital measures



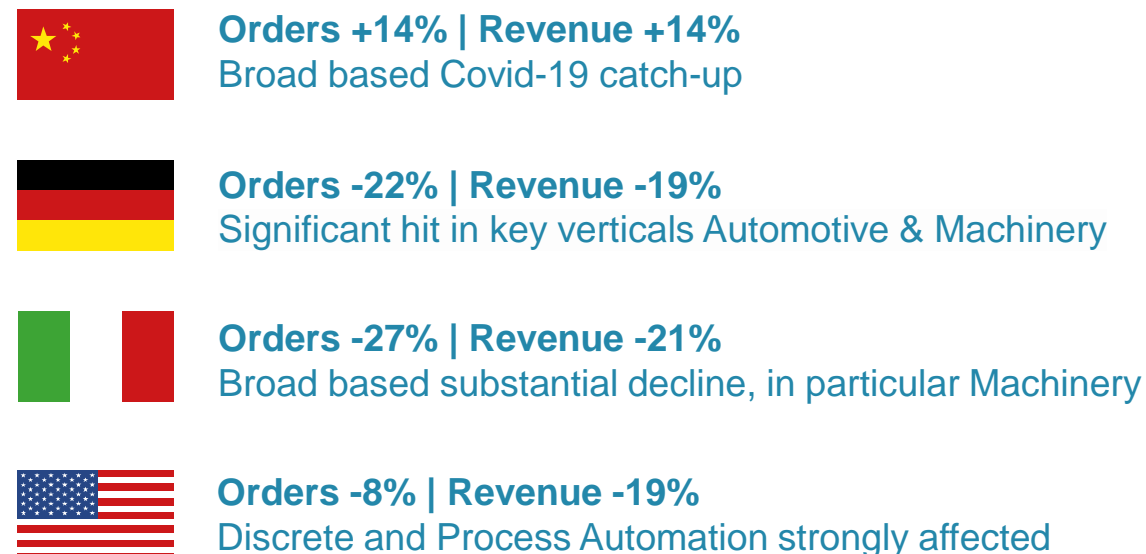
¹⁾ Comparable ■ therein Software ■ x.x% Adj. EBITA margin excl. severance ■ x.x Cash Conversion Rate
Unrestricted © Siemens 2020

Covid-19 with severe impact in key customer industries, partially offset by strong China and Software demand

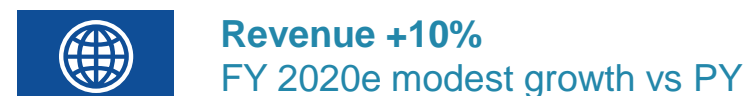
DI revenue share in vertical end markets



Q3 FY 2020 - Key regions Automation (excl. Software)

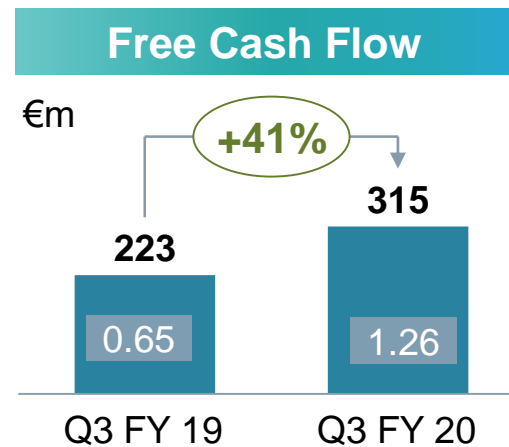
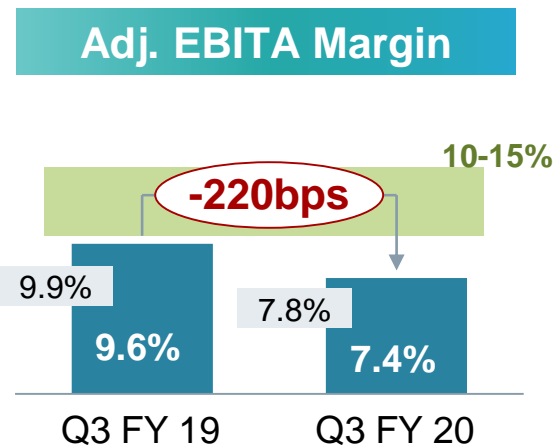
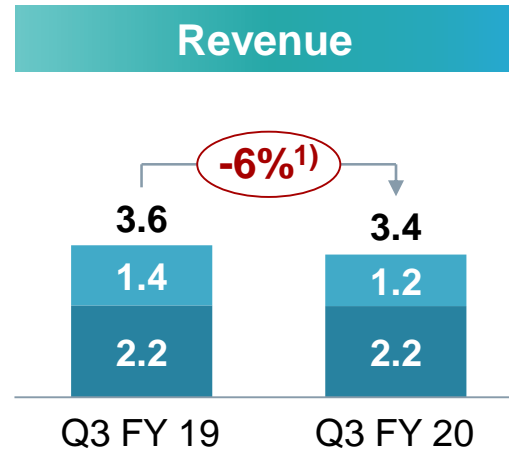
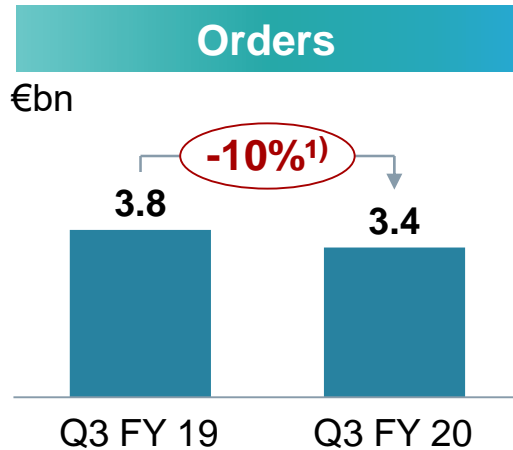


Q3 FY 2020 - Software



Smart Infrastructure (SI)

Weathering tough market environment



Orders:

Negative impact, mainly in Products, Solutions & Services

Revenue:

Systems, Solutions & Services more resilient than Products

Margin:

Lower contribution from Product business

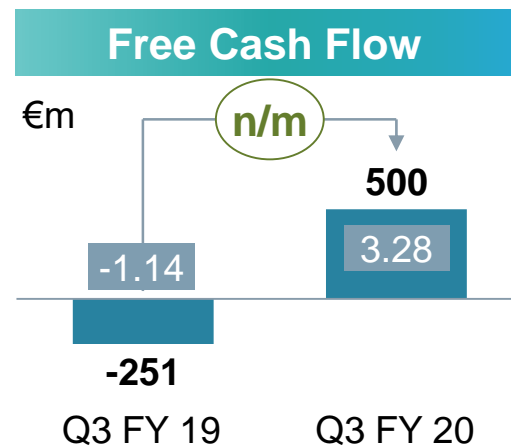
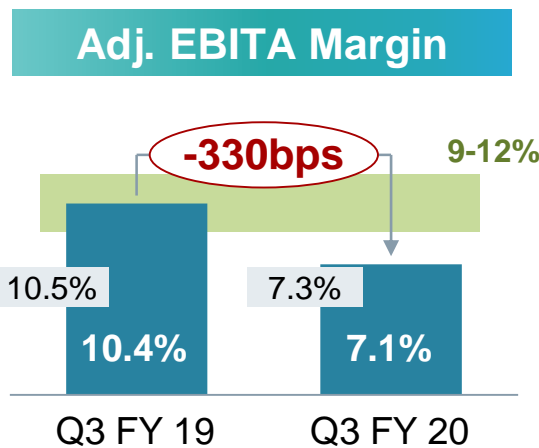
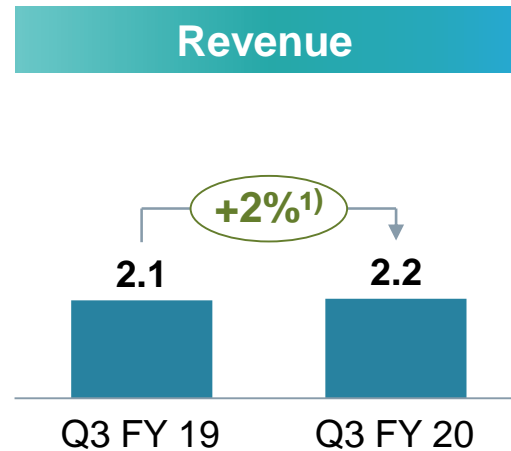
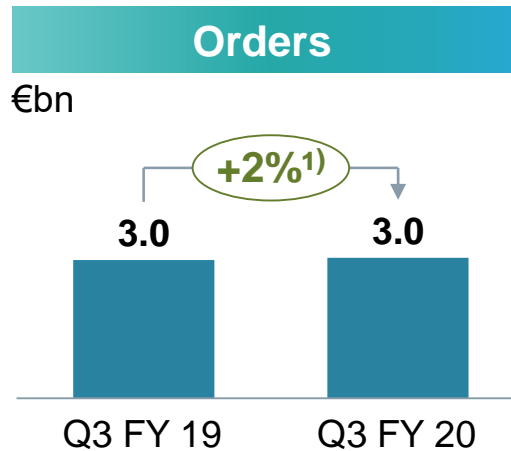
Free cash flow:

Intensified focus yields results

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

Resilient topline performance despite Covid-19 headwinds



Orders:

High level of large orders across businesses

Revenue:

Growth driven by Rolling Stock backlog execution

Margin:

Disappointing quarter
Expect recovery in Q4

Free cash flow:

As expected, strong recovery on major milestone payments

¹⁾ Comparable x.x% Adj. EBITA margin excl. severance x.x Cash Conversion Rate
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Competitiveness programs further accelerated to drive sustainable improvement



View Q2 FY 20

Updated View Q3 FY 20

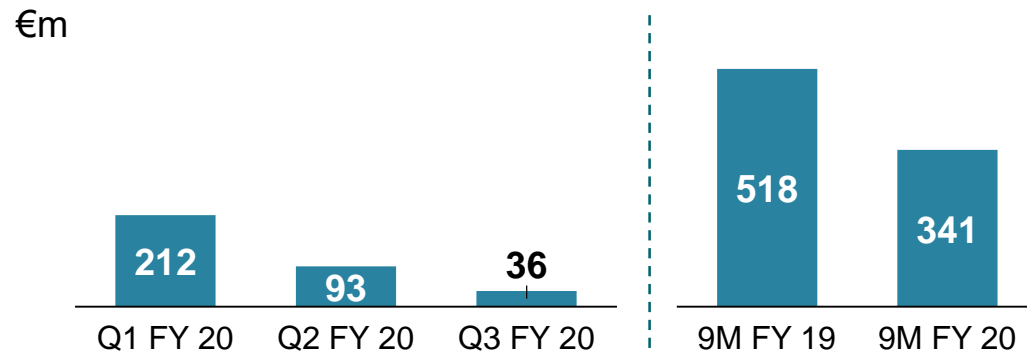
	Digital Industries	Smart Infrastructure	Digital Industries	Smart Infrastructure
Cost optimization Operating Companies	~ €320m by FY 2023 ~ €295m by FY 2021	~ €300m by FY 2023 ~ €180m by FY 2021	~ €320m by FY 2021	~ €340m by FY 2023 ~ €190m by FY 2021
Global Business Services	€90m by FY 2021		€90m by FY 2021	
Lean and effective governance	~ €500m by FY 2023 ~ €300m by FY 2021		~ €500m by FY 2023 ~ €300m by FY 2021	

€50m to be delivered by Siemens Energy

SFS performance hit by Covid-19

Stringent execution of strategy to focus on Siemens domains

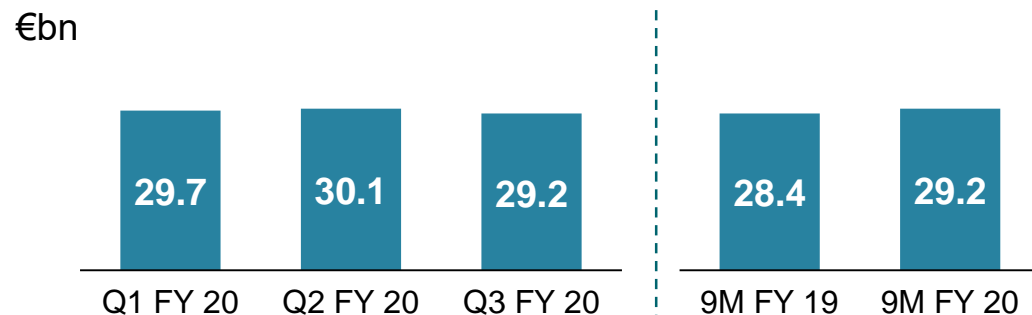
Income before income taxes (IBIT)



All businesses (Equity Business, Project & Structured Debt, Commercial Finance) **strongly influenced by Covid-19**

Lower IBIT mainly due to impairment on an equity investment & increased credit risk provisions compared to Q3 FY19

Total assets



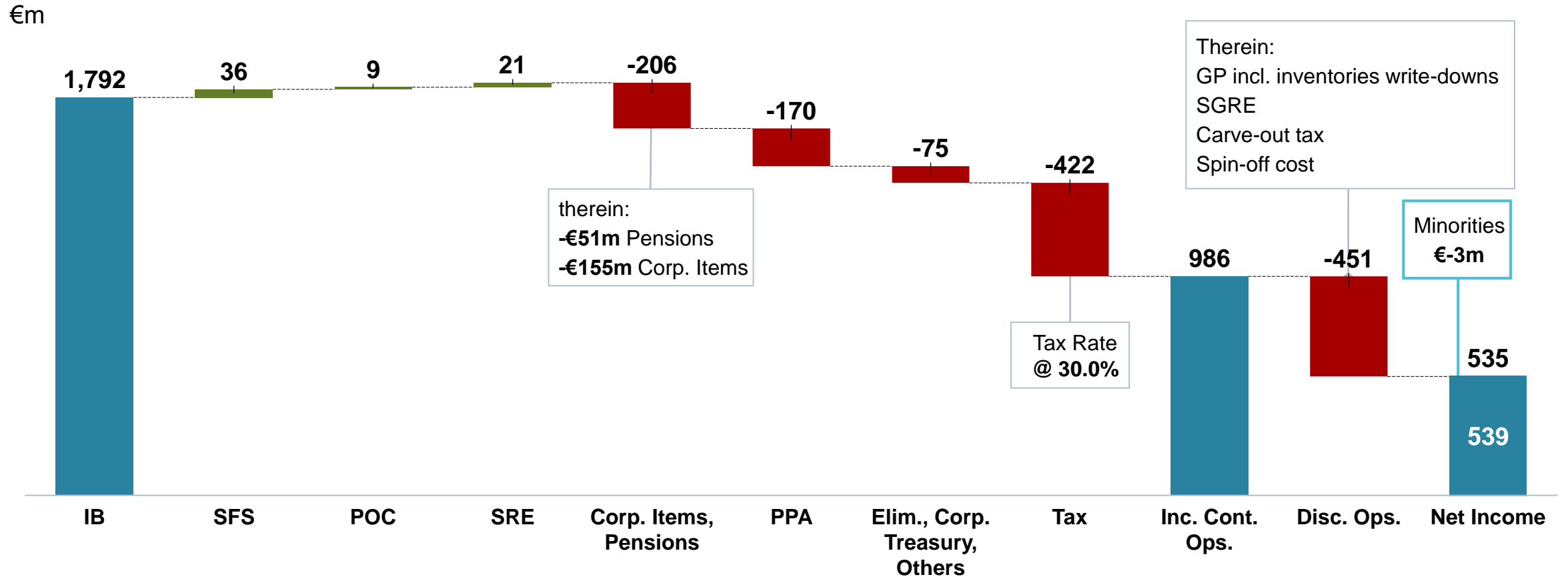
Asset development compared to prior quarter driven by lower new business and FX effect

1) IBIT = Income before income taxes

Net income impacted by higher tax rate & discontinued operations

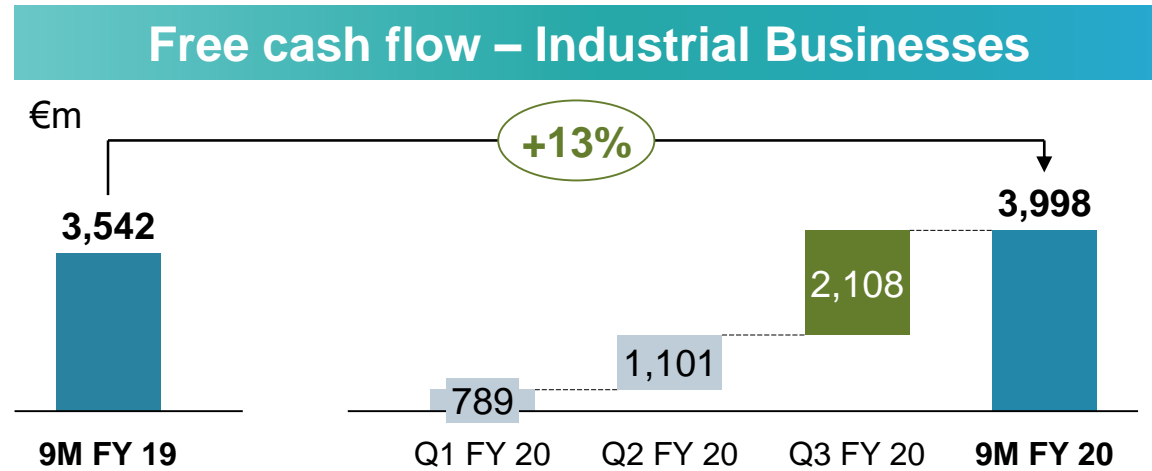


Q3 FY 20 - Performance Below Industrial Businesses



Significant free cash flow improvement despite Covid-19

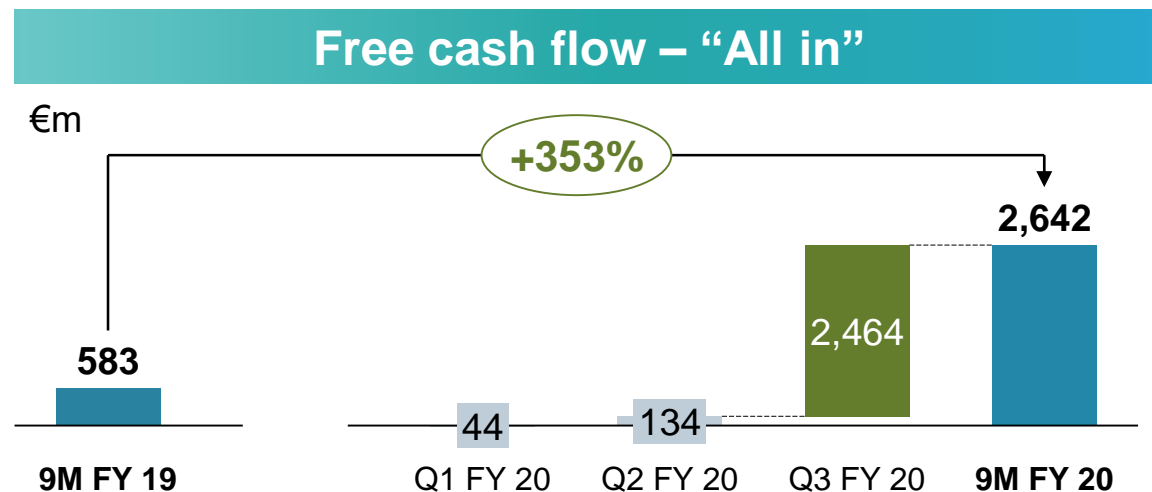
Working capital initiative delivers results



Intensified cash focus across all businesses

Tight receivables management in difficult markets

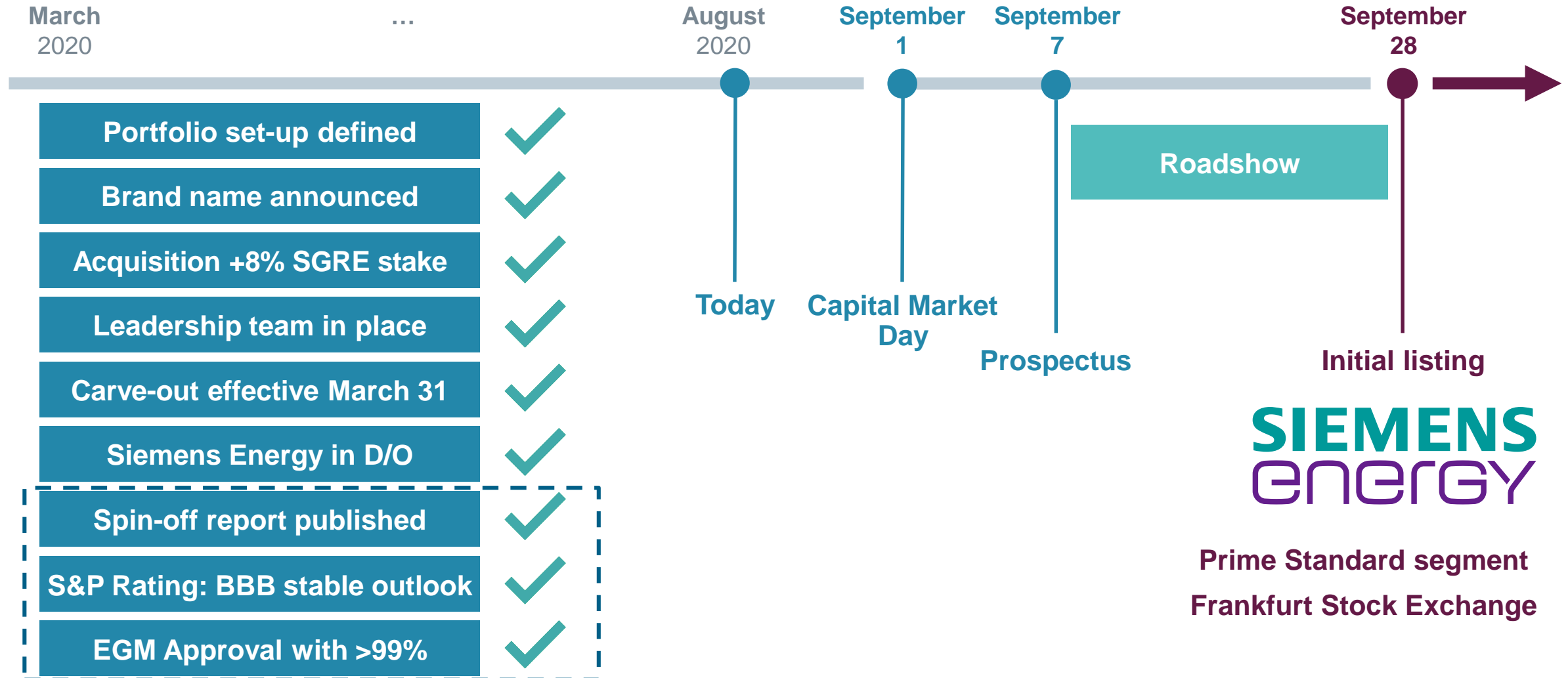
Stringent supply chain management



Excellent cash performance in Portfolio Companies

Siemens Energy with clear improvement

Siemens Energy on track for listing end of September



Prime Standard segment
Frankfurt Stock Exchange

Siemens stake in SHL dilutes from 85% to around 72%

Committed to remain long-term majority shareholder of SHL



Sound strategic rationale

- Acquisition of Varian supports SHL equity story
- Creates global powerhouse in healthcare with unique portfolio & capabilities
- Combining SHL' and Varian's unique capabilities will re-define cancer care

Deal Financing

- Financed through a combination of debt and equity
- Intercompany loan of up to US\$9bn to SHL
- Siemens places bond at market before closing of transaction
- Equity raise by SHL, Siemens stake dilutes from 85% to ~72%

Impact on Siemens

- Strong commitment to current rating and deleveraging actions
- Long term benefits based on strong strategic rationale and financial profile

FY 2020 outlook

Top line guidance confirmed, EPS guidance remains suspended



FY 2020 Siemens Group

€bn

58.5¹⁾

Book-to-bill > 1

Moderate comparable revenue decline

Revenue
FY 2019

Assumptions

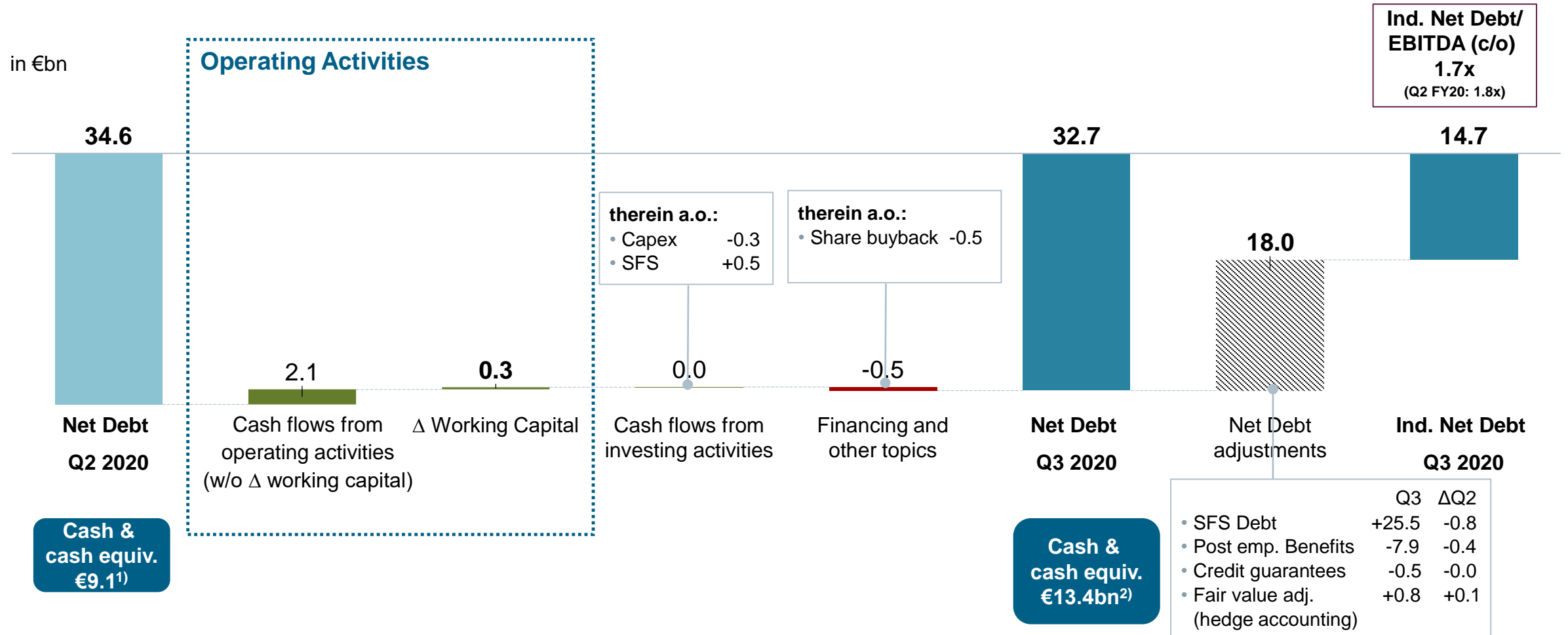
- Expect **economic consequences** of the **Covid-19 pandemic** to **continue to strongly impact** our **FY Q4 financial results**
- **Macroeconomic developments** and their **influence on Siemens** still **cannot be reliably assessed**
- Continue to expect **FY 2020 moderate comparable revenue decline**, with **b-t-b >1**. **Decline in demand most strongly affects DI and SI.**
- **Completion of spin-off and public listing of Siemens Energy before end of FY 2020**
- Expect **spin-off gain** within **D/O**, amount **cannot yet be reliably forecast**
- Expect **material impacts on Net income** from **spin-off costs** and **tax expenses** related to **carve-out of Siemens Energy**
- **Continue to refrain from giving guidance for basic EPS** from **Net income for FY 2020**

1) Comparable revenue reflecting reclassification of Gas & Power & Siemens Gamesa Renewable Energy to Discontinued Operations

Appendix



Q3 FY 2020 Net debt bridge



1) Sum Cash & cash equivalents of €7.8bn and current interest bearing debt securities of €1.3bn

2) Sum Cash & cash equivalents of €12.1bn and current interest bearing debt securities of €1.3bn

Provisions increased in Q3 mainly due to decreased discount rate, partially offset by positive actual return on plan assets

SIEMENS

Ingenuity for life

in €bn ¹	FY 2018	FY 2019	Q1 FY 2020	Q2 FY 2020	Q3 FY 2020
Defined benefit obligation (DBO) ²	-35.9	-40.3	-39.2	-33.4	-35.7
Fair value of plan assets ²	28.7	31.3	31.2	26.7	28.4
Provisions for pensions and similar obligations	-7.7	-9.9	-8.6	-7.5	-7.9
Discount rate	2.4%	1.3%	1.5%	1.8%	1.3%
Interest income	0.5	0.6	0.1	0.1	0.1
Actual return on plan assets	0.4	3.2	-0.5	-1.6	2.3

1) All figures are reported on a continuing basis

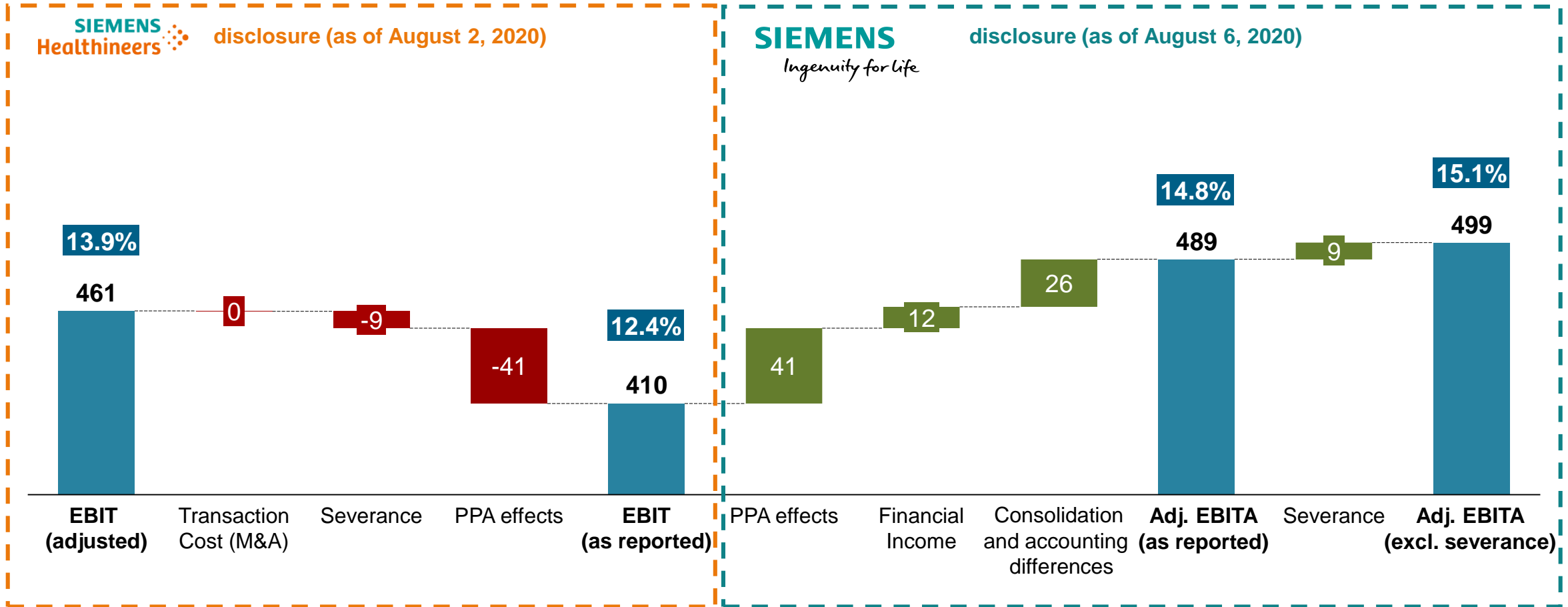
2) Difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q3 2020: +€0.6bn); defined benefit obligation (DBO), including other post-employment benefit plans (OPEB) of -€0.4bn

Q3 FY20 Profit Bridge from SHS disclosure to SAG disclosure

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



in €m



x.x% Margin

Financial calendar



Aug 6, 2020

Q3 Release

Sep 1, 2020

CMD Siemens Energy

Nov 12, 2020

Q4 Release

Sep 10, 2020

MS Conference
London



investorrelations@siemens.com



www.siemens.com/investor



+49 89 636-32474