

Siemens and Carlyle shape the future of Flender

- **Sale for price of €2.025 billion**
- **Another step in executing Vision 2020+ strategy for becoming a focused technology company**
- **New ownership structure offers Flender optimal growth and development opportunities**
- **Long-term and reliable commitments agreed upon for Flender's employees and German locations**

The Managing Board and Supervisory Board of Siemens AG have approved the sale of Flender GmbH – a world-leading supplier of mechanical and electrical drive systems – to Carlyle. The contracting parties signed a corresponding agreement today. The price is €2.025 billion (enterprise value). Siemens recently gave its energy business independence through a public listing. By selling Flender, the company is now promptly taking another important step in the rigorous execution of its Vision 2020+ strategy for enabling Siemens to become a focused technology company. Carlyle's plans – following Flender's successful reorientation – are to further accelerate its growth and fully develop its strengths through more independence and greater leeway for decisions. The sale also makes it possible to forgo the originally planned spin-off and public listing and thus offers a faster track to clarity for a successful future of Flender. The transaction is expected to close in the first half of 2021 and is subject to foreign-investment and antitrust approvals.

“By selling Flender, we're successfully and rigorously continuing our strategy to become a new, focused Siemens AG. Our plan of fixing the businesses ourselves by introducing the structures used in small and midsized companies has proven effective. Now it's time to position Flender as an independent company and give it the chance to realize future growth opportunities. This fast decision gives customers

and employees clarity and a solid foundation for planning,” said Joe Kaeser, President and CEO of Siemens AG.

“Our original plan was to list Flender on the stock exchange through a spin-off,” added Ralf P. Thomas, who is Chief Financial Officer of Siemens AG and is responsible for the area of the Portfolio Companies (POC). “Yet we’ve always been open for alternative solutions, too. The interest that numerous investors have taken clearly shows how attractive the company is and confirms the approach that we’ve been pursuing at our Portfolio Companies. The new ownership means that Flender will have the opportunities it will need in the future to optimize itself to an even greater extent and to address its customers’ requirements in an even more targeted way. Siemens and its shareholders will, in turn, benefit from further business focus and the attractive valuation and the inflow of liquidity.”

“Flender is the global champion in the wind and industrial gears space. With its unique product and technology portfolio and its global presence, Flender is ideally positioned for sustainable growth. At Carlyle, we’re looking forward to supporting the company’s future development through our industrial expertise and investments into the technology and service platform that Flender uses to serve its customers on a global basis,” said Gregor Böhm, Managing Director and Co-head of Europe Buyout at Carlyle.

As part of the sale, Carlyle has agreed to make long-term and reliable commitments for Flender and its employees. With this move, Carlyle is backing the future course that Flender has announced and is showing its appreciation for the company’s workforce.

The sale of Flender is evidence that the strategic alignment of Siemens’ POC unit has been successful. The goal is to give the Portfolio Companies greater independence and autonomy, possibly also in connection with a change of ownership. Siemens bundled multiple business units together under the umbrella of the Portfolio Companies on April 1, 2019. The six POC units employ about 21,500 employees and generate around €5 billion in revenue.

About The Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global investment firm with deep industry expertise that deploys private capital across four business segments: Corporate Private Equity, Real Assets, Global Credit and Investment Solutions. With \$230 billion of assets under management as of September 30, 2020, Carlyle's purpose is to invest wisely and create value on behalf of its investors, portfolio companies and the communities in which we live and invest. The Carlyle Group employs more than 1,800 people in 30 offices across six continents. Further information is available at www.carlyle.com. Follow The Carlyle Group on Twitter @OneCarlyle.

About Flender

Headquartered in Bocholt, Germany, Flender GmbH is a leading global supplier for mechanical and electrical drive systems. For more than 120 years now, the company has enjoyed a reputation for the highest performance, innovation, quality, and reliability of mechanical components and systems. Flender offers a broad variety of gear units, couplings, generators and associated services. It focuses on key industries such as wind power, cement, oil & gas, power generation, water and wastewater, marine, conveyor and crane technology. Flender products and services combine the latest technology with extremely high quality and have been reliably enabling optimal transmission of power for decades. Flender employees about 8,600 employees globally and generated pro-forma revenue of around €2.2 billion in fiscal 2020. Further information is available at flender.com.

This press release is available here <https://sie.ag/31SGkos>

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Siemens AG (Berlin and Munich) is a global technology powerhouse that has stood for engineering excellence, innovation, quality, reliability and internationality for more than 170 years. Active around the world, the company focuses on intelligent infrastructure for buildings and distributed energy systems and on automation and digitalization in the process and manufacturing industries. Siemens brings together the digital and physical worlds to benefit customers and society. Through Mobility, a leading supplier of intelligent mobility solutions for rail and road transport, Siemens is helping to shape the world market for passenger and freight services. Via its majority stake in the publicly listed company Siemens Healthineers, Siemens is also a world-leading supplier of medical technology and digital health services. In addition, Siemens holds a minority stake in Siemens Energy, a global leader in the transmission and generation of electrical power that has been listed on the stock exchange since September 28, 2020.

In fiscal 2019, which ended on September 30, 2019, the Siemens Group generated revenue of €58.5 billion and net income of €5.6 billion. As of September 30, 2019, the company had around 295,000 employees worldwide on the basis of continuing operations. Further information is available on the Internet at www.siemens.com.

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