

Shaping Digitalization. Innovation at Siemens

Dr. Roland Busch, CTO | Munich, December 7, 2016

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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.

We have accomplished what we set out

Innovation at Siemens 2015 event

Innovation fund (€100 million over 3 years) to support implementation of employees' grass root innovation ideas

Strengthen our global network of innovation

Dedicated unit for start-ups announced (Innovation AG)

Innovation at Siemens 2016 event

>60% of employees' applications financed (25 projects with €18 million)

New innovation centers in China and Israel, in particular for digital

Establish a company-owned start-up unit: next47 (€1 billion fund)



next47 to foster disruptive ideas and to drive innovations

Strategic focus

- Focus on investments in start-ups
- Selectively:
 - M&A activities to support fast ramp-up of innovation fields
 - long-term R&D (“Moonshot”) projects, e.g., eAircraft

next47 Innovation fields



Distributed electrification



Artificial intelligence



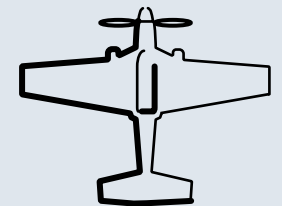
Connected (e-)mobility



Autonomous machines



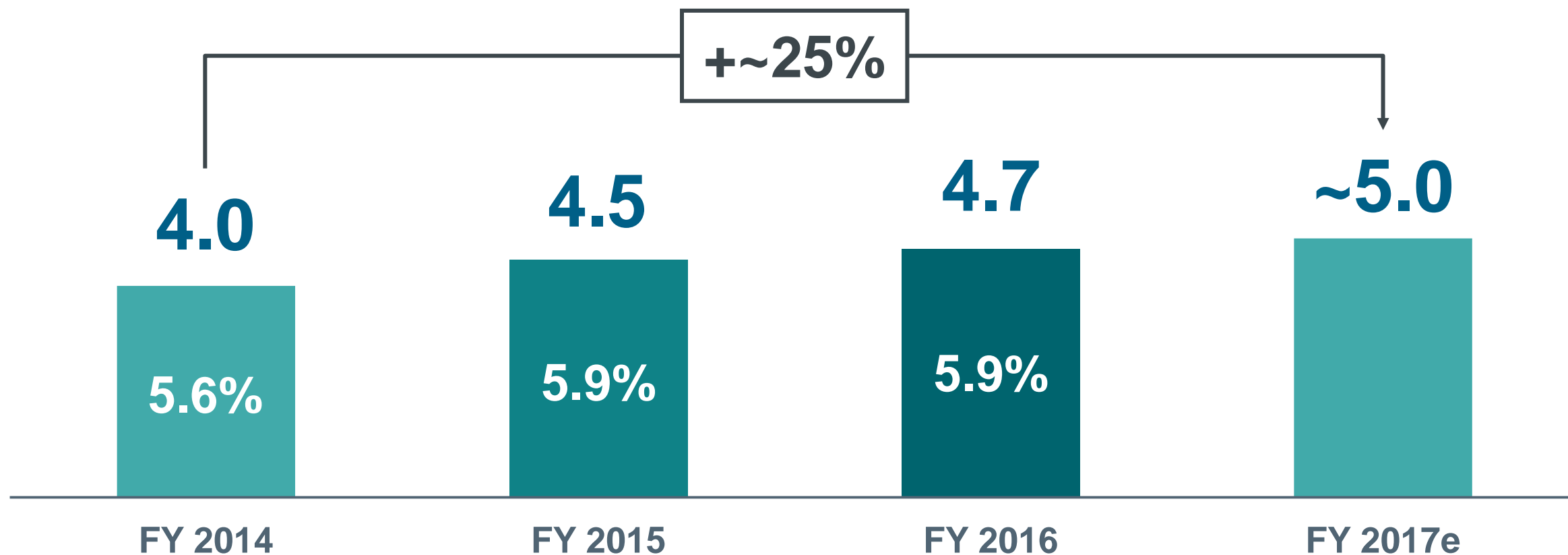
Block chain applications



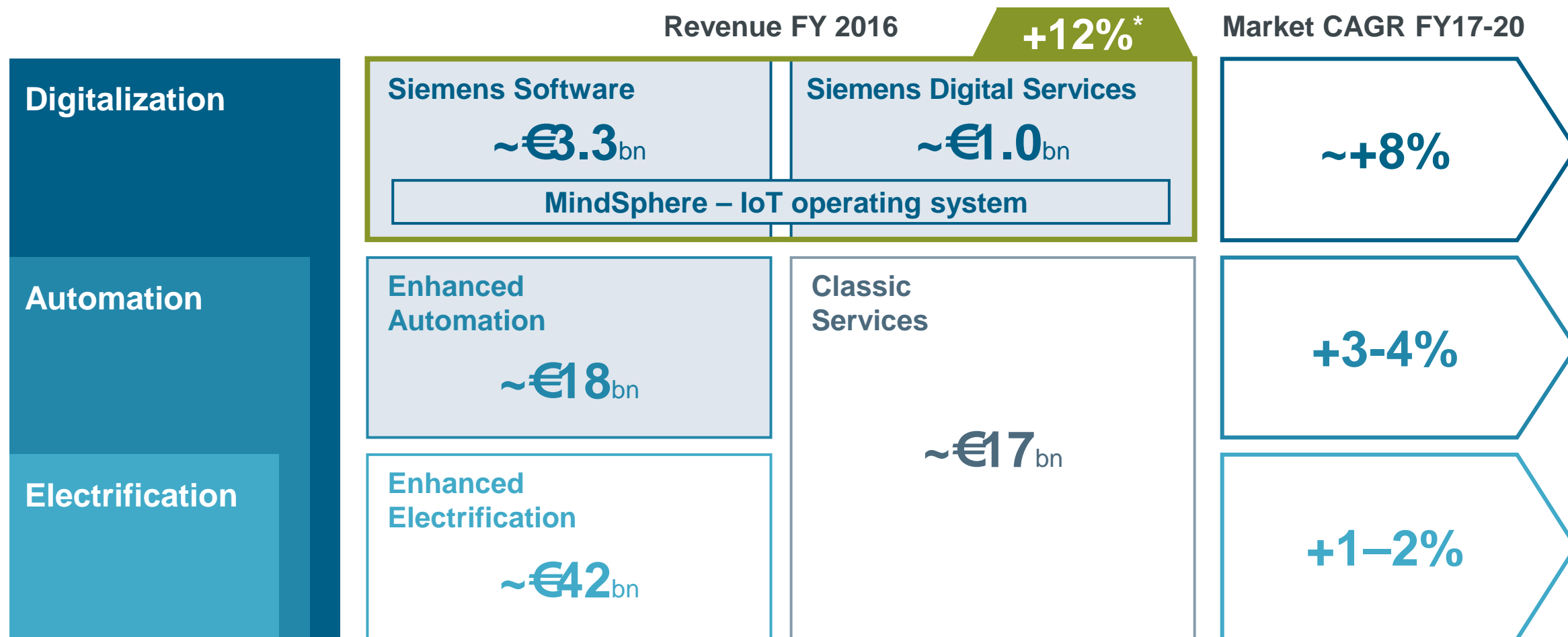
eAircraft

We're increasing R&D spending

Research and development spending in billions of €
and in % of revenue



Our focus is E-A-D – and there is strong growth in “D”



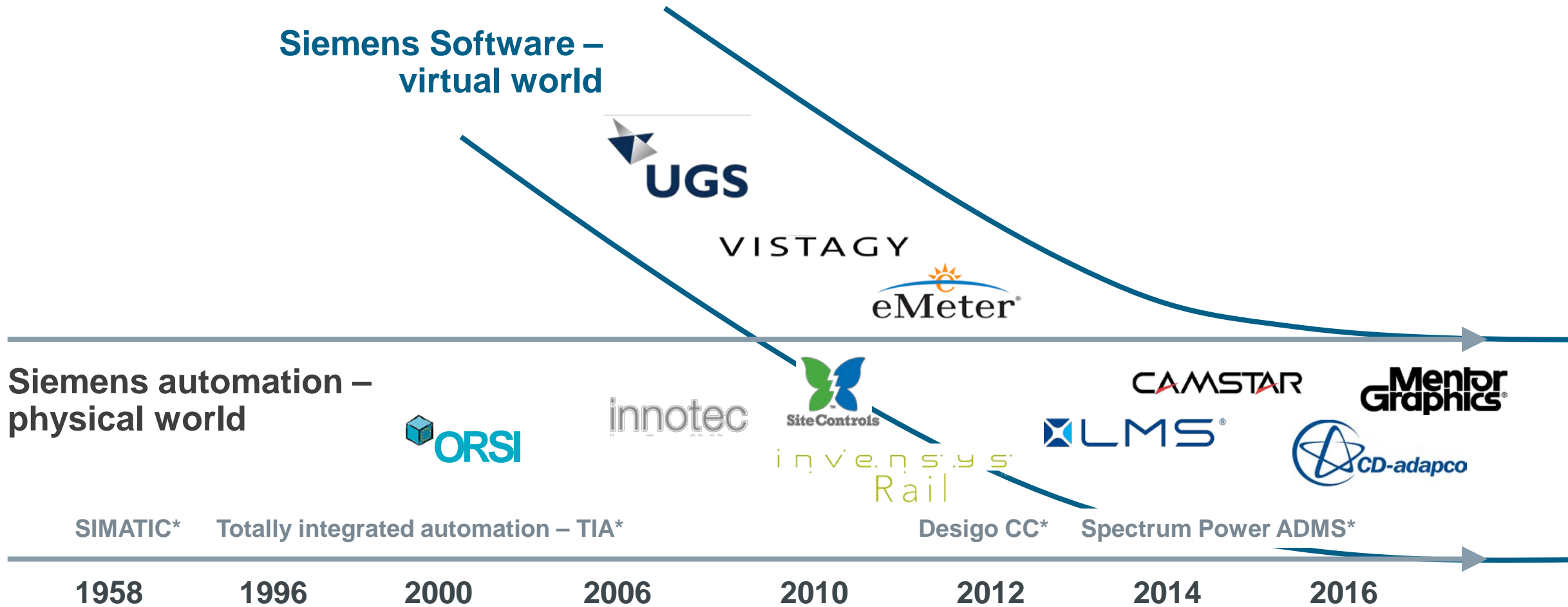
* Comparable; portfolio adjusted

Our offering separates us clearly from competition

- **Deep domain-knowhow in broad range of markets and industries**
- **Strong installed base/connected fleet**
- **Unmatched digital portfolio:
MindSphere, Software, Services, Security**
- **Numerous Siemens-internal use cases as proof points**
- **Powerful eco-system**

Siemens with long-standing #1 position in automation – now combined with the force of Siemens Software

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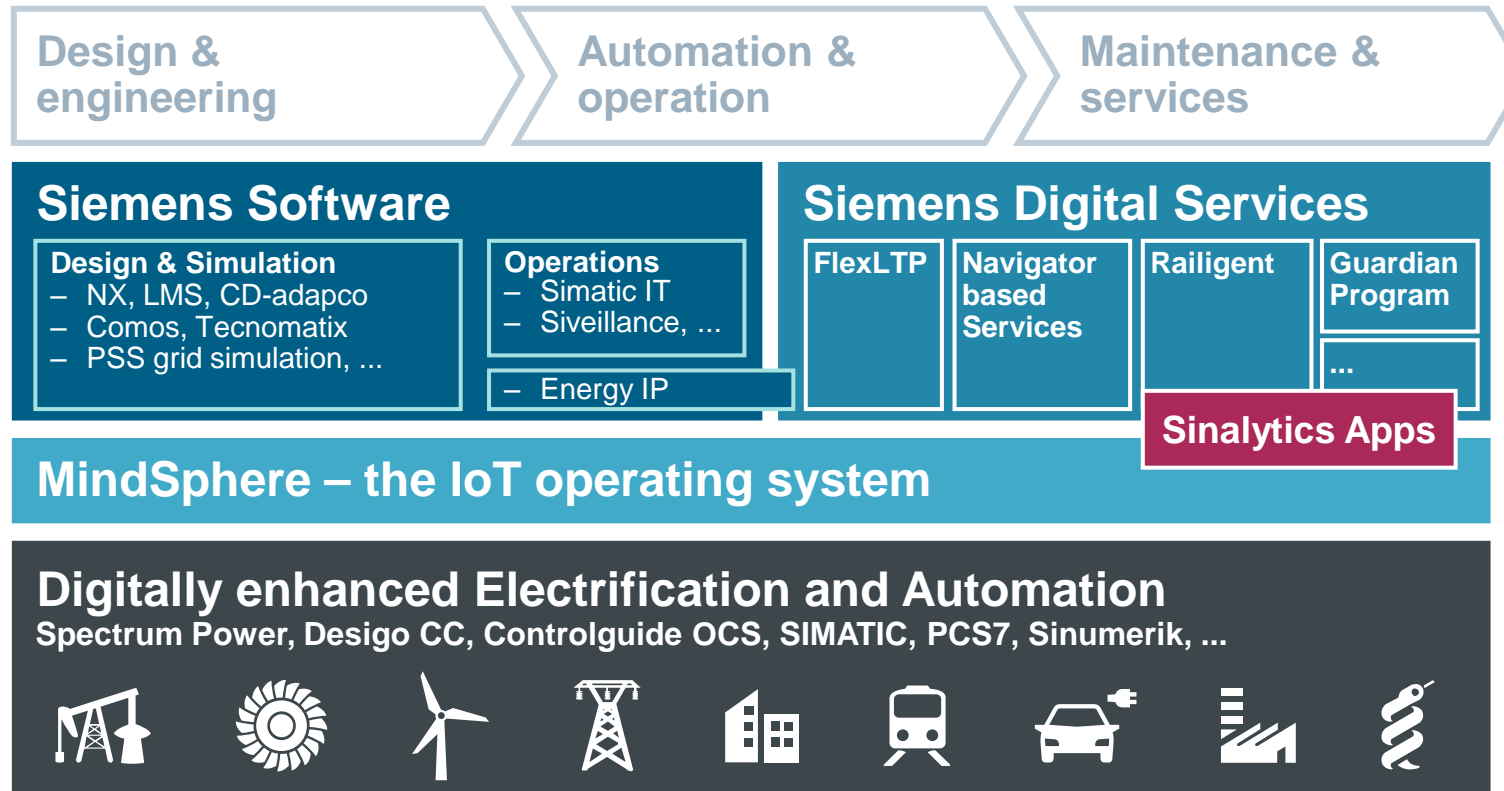


* In-house developments/digital upgrades

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Electrification – Automation – Digitalization: a strong and complete offering for our customers

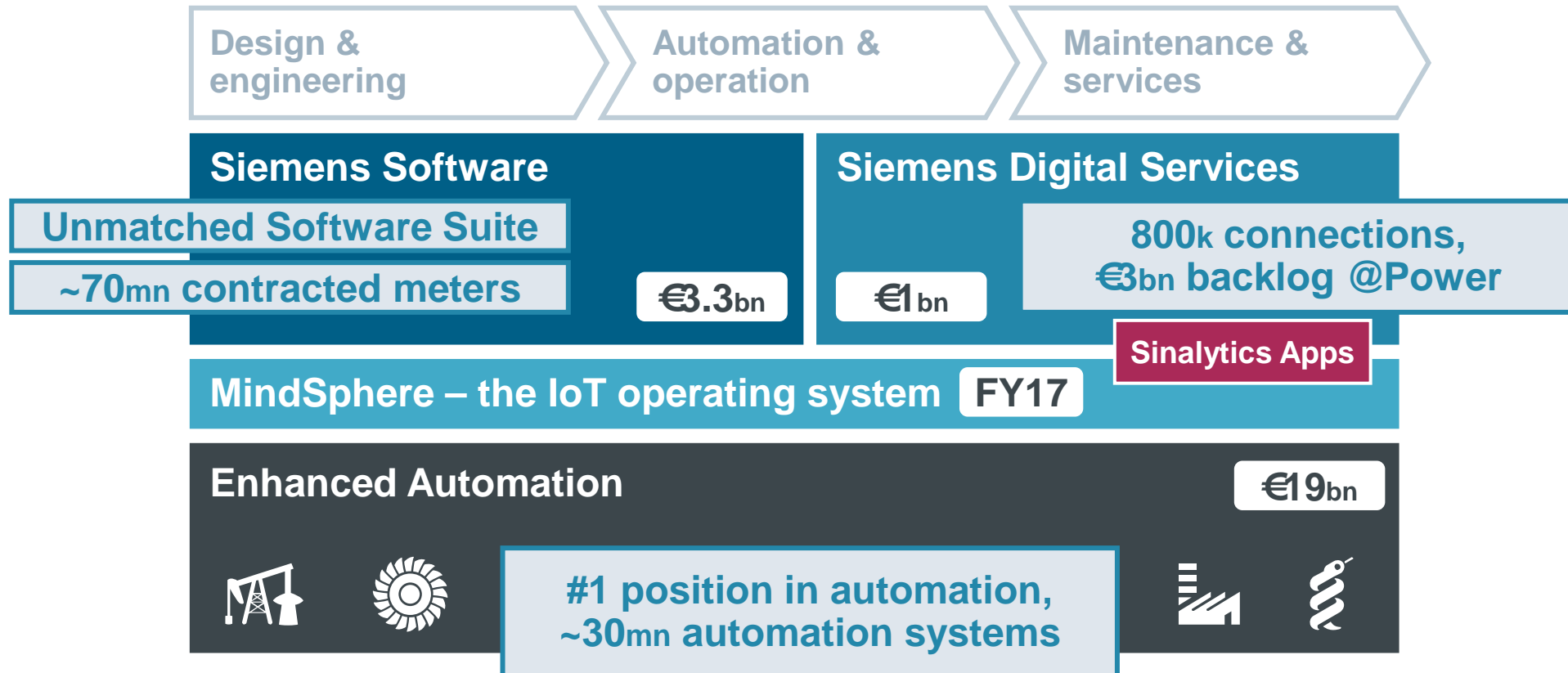
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Electrification – Automation – Digitalization:

Four business models with highly attractive profit pools

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Revenue FY 2016

Creating internal value

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Industrie 4.0
Siemens Factory
Amberg:
Energy efficiency in
production
increased by 20%
through energy
monitoring

Creating customer value

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Siemens monitors
>9,000 turbines
online – remote
remedies
for 85% of wind
turbine alarms

Powerful eco-system

