Smart Infrastructure acquires Brightly

Accelerating leading SaaS offering for digital and sustainable building operations

Investor Relations
June 27, 2022
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Smart Infrastructure is accelerating the digital transformation of buildings

**Digital Industries**

- Leading industrial software offering
- Established Grid Software unit
- Open, interoperable software suite: grid stability & manage complexity
- Holistic digital twin of the grid for planning, simulation & operation

**Mobility**

- Bundling of all Software businesses
  - Train planning system
  - Mobility as a Service
  - Inventory Reservation Ticketing

**Smart Infrastructure - Electrification**

- Strong digital offering comprising digital services, enterprise solutions, SaaS based on SI platform
- Brightly speeds up SaaS for building operations at Smart Infrastructure
Brightly fits seamlessly with SI digital building value proposition and offering

SI digital building value propositions

- Sustainability
- Experience
- Performance

Digital building business models

- Standard SaaS
- Digital services
- Enterprise solutions

Building SaaS applications & PBCs*

- SI PBCs* & apps
  - E.g., operations, energy, security
- Brightly apps
  - E.g., computerized maintenance mgmt, asset inv. optimization, smart assets, energy, …
- Other apps (incl 3rd party)

Digital building platform

- Connectivity services, edge management services, platform & analytics services, APIs

Customer benefits

- No data silos
  - Better outcomes, such as lower emissions, lower cost, higher asset lifetimes
- Automated workflows
  - Higher efficiency and availability
- Data entry only once
  - Easier and more efficient onboarding
- Single user interface
  - More convenience for users

* PBC = Packaged Business Capability

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Brightly
Perfect fit to expand in attractive growth market of Building Operations Software

Areas of growth?
- >€10bn building operations software market
- Cloud-based part of market growing at ~13%

Potential profit pool?
- Software-typical EBITDA margin for building focused SaaS companies with scale
- Margin accretive to Smart Infrastructure with further expansion potential

Why Siemens?
- Accelerating software offering and go-to-market for building operations SaaS
- Customer value: Enhanced with digital operations twin - superior building performance & sustainability

Synergetic value?
- Significant synergies with an expected mid-triple-digit million US$ NPV
- Enabling Brightly’s regional expansion in Europe and Asia and SI stronghold commercial buildings

Paradigm shift?
- Value shift towards digital and software in buildings
- Convergence of IT/OT – automation, operation, analytics and optimization

Sustainability impact?
- Asset & maintenance management software is crucial to improve resource and energy efficiency
**Business overview**

- **Leading SaaS provider** for asset and maintenance management in buildings / built infrastructure
- **Established:** 1999
- **Headquarters:** Cary, NC, United States
- **Employees:** ~800
- **Customer base:** 12,000 clients served
- **Current owner:** PE Clearlake Capital
- **Revenue 2022e:** ~US$ 180m, thereof 85% SaaS
- **ARR 2022e:** ~US$ 160m
- **ARR breakdown:** By geography and vertical

**Transaction facts**

- **Acquisition of 100%**
- **Purchase price of US$ 1.575bn plus earn-out**
- **Revenue multiple ~9x (2022e)**
- **EPS pre PPA accretive in year 2 after closing**
- **Expected closing in CY 2022**

**Integration concept**

- **Brightly will become a fast growth business within SI reporting to SI CEO**
- **Catalyst for further expansion** of building software offering through innovation, partnering, and acquisitions