Vision 2020+
Execution and next steps
Ralf P. Thomas, CFO
JP Morgan Conference | London, June 13, 2019
Notes and forward-looking statements

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, should decisions, assessments or requirements of regulatory authorities deviate from our expectations, 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.

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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.
New structure in place – entrepreneurial freedom for businesses

Vision 2020+ new structure

Operating Companies
- POC
- DI
- SI
- GP

Strategic Companies
- MO
- SHS
- SGRE

Mid-term target

Accelerated comp. revenue growth
+ 2 ppts. CAGR

Margin lift at Industrial Business
+ 2 ppts.

EPS growth\(^1\)
> revenue growth

1\(^1\) on constant minority shareholdings
Creating a unique Energy and Power company – Focused resource allocation offers attractive opportunities

1. Focus: Optimize resource allocation

2. Accountability: Capital Market and anchor investors with Energy and Power

3. Adaptability: Unique offering in both conventional and renewable energy

4. Transformation: Deconsolidation, >25% to <50% remaining and transfer of all SGRE shares

5. Value creation: 2018 2023e
   Revenue growth -8% 2) 2-3% 3) CAGR FY19-FY23
   Adj. EBITA Margin ~4% 8-12%

NewCo1)  
- ~€30bn Orders
- ~€70bn Order backlog
- ~€27bn Revenue
- ~4% Adj. EBITA Margin
- ~88,000 Employees

Vertical revenue split
- Conventional Generation 35%
- Oil & Gas 11%
- Grid 21%
- Renewable Energy (SGRE) 33%

Transfer of all SGRE shares to NewCo;
Partial GP spin-off until Sept. 2020

1) Figures FY18 pro forma
2) Comparable growth FY17-FY18
3) CAGR FY19-FY23
Vision 2020+ improves transparency and creates accountability & efficiency

Headcount

~40,000

~6,500

~1,500

~7,500

~3,000

~3,000

~6,000

~12,500

~2,500

~2,500

~7,500

Nucleus for new business

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Corporate Core and Services before Vision 2020+

Operating Companies

Corporate Technology R&D

IoT

Portfolio Companies

Real Estate Services

Global Business Services

Governance and Support Functions in scope (As of April FY19)

Reductions "Corporate Operations"

Lean Governance

>20% reductions Support Functions in scope:

Savings: €500m until FY23, (60% until FY21)

Pooled but "demand-based", e.g.

- Legal
- Finance
- HR
- SCM

~3,000

~6,500

~1,500

~7,500

~3,000

~3,000

~6,000

~12,500

~2,500

~2,500

~7,500

~1,400 until FY21

1,100 until FY23

10% / 20% service efficiency

~1,500

~6,000

~12,500

~2,500

~2,500

~7,500

~1,400 until FY21

1,100 until FY23

10% / 20% service efficiency

~1,500

~6,000

~12,500

~2,500

~2,500

~7,500
Significant cost measures as base for ambitious margin expansion

<table>
<thead>
<tr>
<th>Cost optimization</th>
<th>Digital Industries</th>
<th>Smart Infrastructure</th>
<th>Gas and Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Companies</td>
<td>~ €320m by FY 2023 (50% by 2021)</td>
<td>~ €300m by FY 2023 (50% by 2021)</td>
<td>~ €1,000m by FY 2023 (70% by 2021)</td>
</tr>
<tr>
<td>Restru. cost ~ €300m</td>
<td>Restru. cost ~ €300m</td>
<td>Restru. cost tbd</td>
<td></td>
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</tbody>
</table>

Global Business Services efficiency

Digital Industries:
- ~ €500m by FY 2023 (60% by 2021)
- Restru. cost ~ €400m

Smart Infrastructure:
- ~ €90m by FY 2021
- Restru. cost ~ €70m

Gas and Power:
- ~ €1,000m ¹)

¹) Includes ~ €500m savings from current program PG2020; ~ €370m severance charges booked in FY 2018
Further transformation on the path to ultimate value creation

Performance

<table>
<thead>
<tr>
<th>Metric</th>
<th>2019</th>
<th>Mid-term target 2021</th>
<th>Long-term target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comp. Revenue Growth</td>
<td>1.6%</td>
<td>4 - 5%</td>
<td></td>
</tr>
<tr>
<td>Adj. IB EBITA Margin</td>
<td>10.6%</td>
<td>11 - 15%</td>
<td>14 - 18%</td>
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<tr>
<td>ROCE</td>
<td>13.3%</td>
<td>15 - 20%</td>
<td></td>
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<tr>
<td>EPS</td>
<td>€6.30-€7.00</td>
<td>△EPS &gt; Growth</td>
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Outlook FY19, ex. severance
Why to invest in Siemens:
Clear roadmap to ultimate value creation

| I | Accountable – New structure, entrepreneurial freedom, growth acceleration and margin expansion |
| II | Adaptable – Optionality for Mobility; Healthineers well positioned to shape their markets |
| III | Stringent – PE like operational improvement for Portfolio Companies |
| IV | Focused – Carve-out and partial spin of GP, transfer of all SGRE shares: Simplification of Siemens portfolio – strategic flexibility for GP |
| V | Innovative – Continued invest to shape future technologies |
| VI | Lean – Optimized governance and support functions |
| VII | Ambitious – Transformation leads to higher performance level |
Headwinds from geopolitics impacting economic activity

Weakening of industrial sentiment…

PMI Manufacturing

Cooling, but still solid momentum
Gradually dissipating policy support
Growth deceleration, but fundamentals on track
Ongoing Brexit uncertainties
Downward pressure due to trade tensions
But government stimulus to support economy
Moderation of growth on a robust path
Continuation of reform agenda after Modi’s re-election

Sources: IHS Markit, ISM
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Financial calendar

June / July

June 13, 2019
JPM Conference (London)

August

August 1, 2019
Q3 Earnings Release

September

September 5, 2019
Morgan Stanley Conference (London)
## Investor Relations contacts

### Investor Relations

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<tr>
<td>Internet:</td>
<td><a href="http://www.siemens.com/investorrelations">www.siemens.com/investorrelations</a></td>
</tr>
<tr>
<td>E-Mail:</td>
<td><a href="mailto:investorrelations@siemens.com">investorrelations@siemens.com</a></td>
</tr>
<tr>
<td>Telefon:</td>
<td>+49 89 636-32474</td>
</tr>
<tr>
<td>Fax:</td>
<td>+49 89 636-1332474</td>
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