



Analyst Meet – FY 2016

Siemens Limited

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Operational Highlights

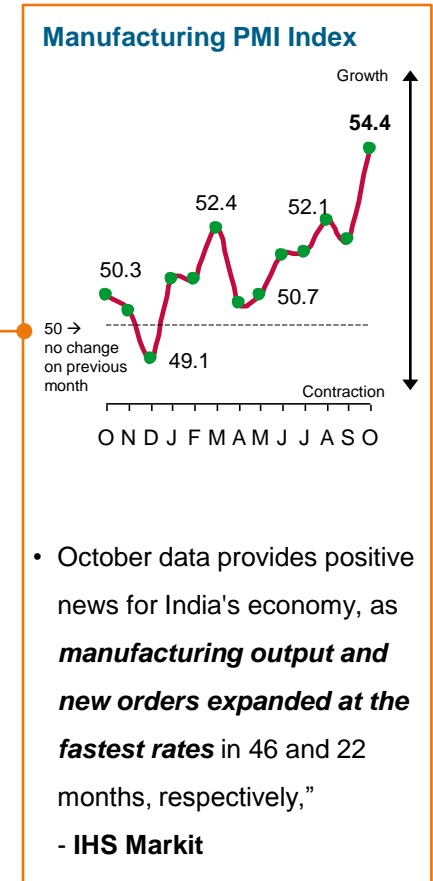
Financial Analysis

Economic growth and reforms agenda on track

>7.5% GDP growth expected aided by a consumption boost. Demonetization impact could bring GDP down to 7% temporarily

- **GST clearance is a positive step;** proposed four slabs could create implementation complexities and classification disputes; however central and state government consensus positive
- **Demonetization of currency notes** (INR 500 /1000) expected to have a positive economic impact in the medium-long term by choking off the parallel economy
- **Business optimism** indices on new orders consistently improving
Nikkei India Manufacturing PMI rose to a 22-month peak of 54.4 in Oct 2016
- **Lead economic indicators point to a possible recovery**
new corporate borrowings increased as compared to the previous year; corporate investments (Jan-Sep'16) are higher than the full year 2015
- **Consumer price inflation continues to drop;** expected to soften further
GST not expected to stoke inflation as approx. 50% of CPI items out of tax net
- **Capacity utilisation in the last few quarters has been 72-74%** compared to 78-79% a few years ago; manufactured goods inflation is well below average

Normal monsoon will positively impact growth in rest of the fiscal



Continued growth in Transmission and Mobility Industrial growth picking up slowly

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Siemens relevant sectors



Current status and future outlook



Transport

- Railways current focus on 'network decongestion' over 'network expansion'; and safety projects
- USD 37" bn of projects expected from FY17-20 (USD 8"5 for products e.g. Rolling stock, Signaling etc)



Power T&D

- AC transmission capacity addition on track; HVDC, FACTS and 765 kV AC to be focus areas
- 100% rural electrification expected by May 2017 – one year ahead of schedule



Construction

- 27 Smart Cities additional cities announced taking the total number to 60 (as per schedule)
- Four states (Gujarat, UP, MP, Odisha) relax land acq. laws to free up regulations for commercial use



Power Gen.

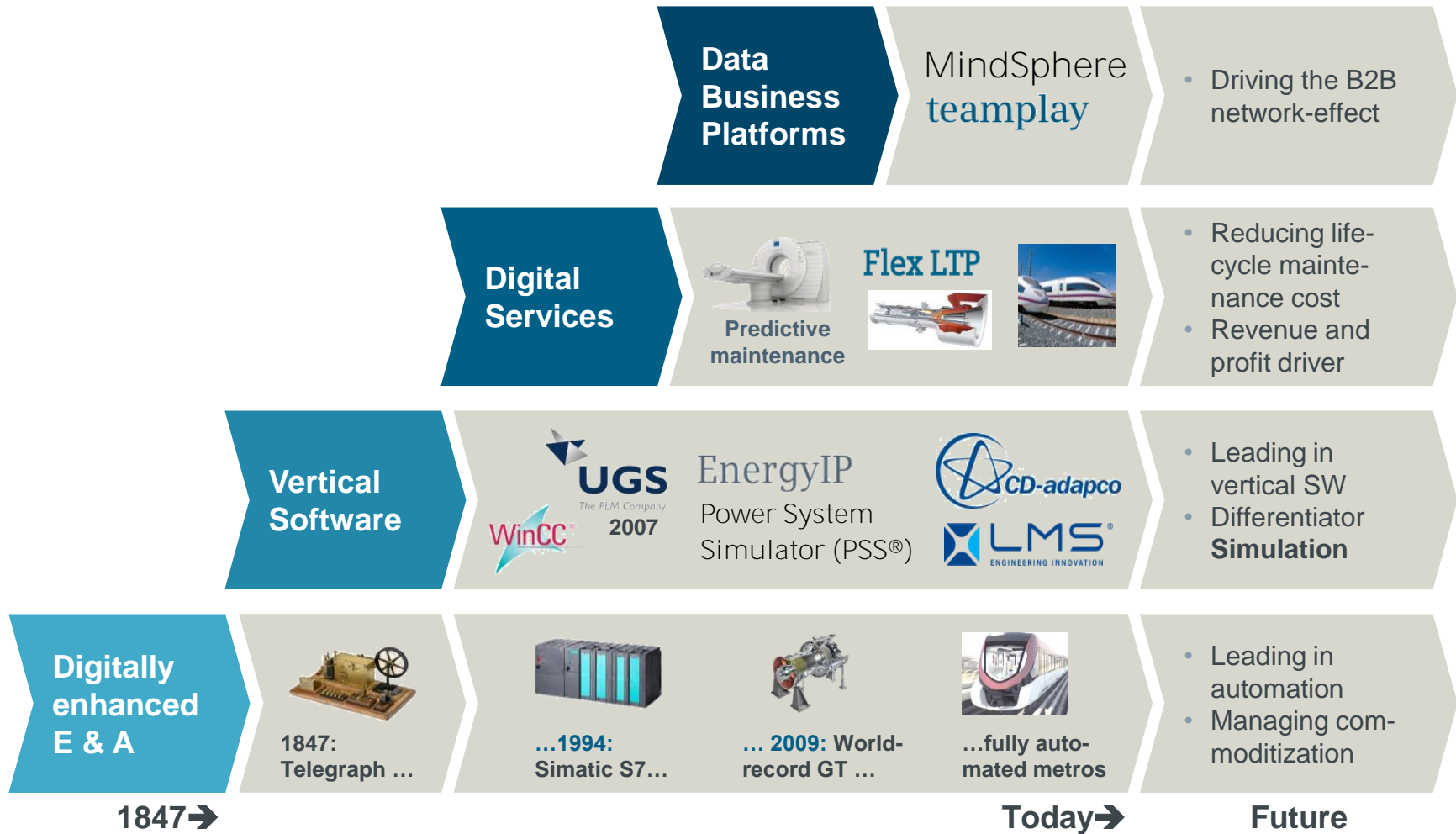
- State sector plans to retire 36 GW old inefficient capacity over six years; will trigger next capex cycle
- Additionally India needs c. 20 GW/pa coal capacity addition to meet 7% demand growth



Manufacturing

- Revival expected to improve with good monsoon, lower rates and growth in corporate earnings
- Initial indicators show jump in passenger vehicle sales, consumer credit etc

Digitalization – expansion of scope now reaching data business platforms



Merger Siemens wind power with Gamesa

- ❑ Siemens AG and Gamesa have agreed to merge their Wind Power businesses.
- ❑ Siemens AG will hold 59% and Gamesa will hold 41% in the post-merger entity.
- ❑ Merger of the entire Siemens Wind business with Gamesa to create a leading wind player.
- ❑ In India, Siemens Ltd. is not in the wind power business, only rendering engineering and designing services to Siemens AG.
- ❑ The board at its meeting on 5th December 2016 decided to sell the above business to a subsidiary of Siemens AG for Rs 75' effective January 1, 2017.

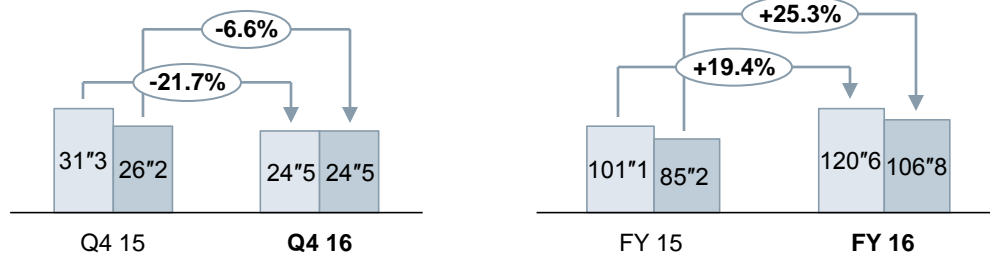
Operational Highlights

Financial Analysis

Performance highlights Q4 and FY 2016

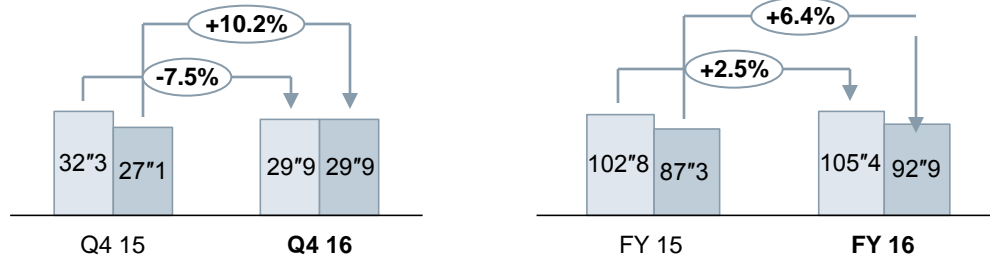
Financial performance highlights, INR figures in billions

Orders



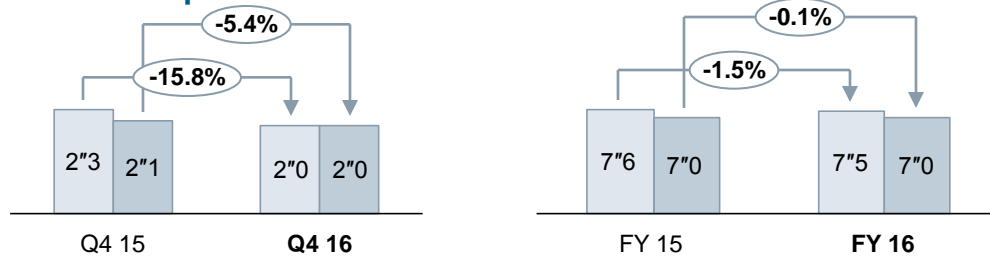
All Divisions contributing to strong growth

Sales



Book-to-bill : 1.15

Profit from Operations



Profitability stable at 7.1%

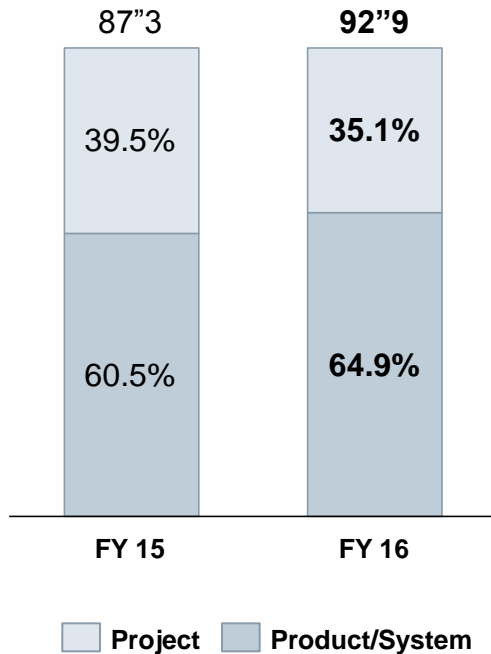
Sales Mix

Industrial business w/o MT & HC (continued operations)

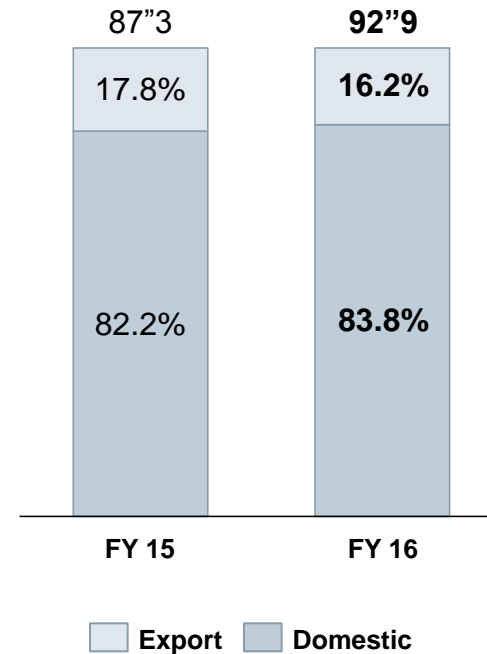
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(in Billion Rs.)

Project & Product/System



Export & Domestic



Divisions Performance FY 2015 vs. FY 2016

Division	Orders	Sales	Profit from Operations (% to Sales)
SEM	42.9%	8.9%	2015 7.4% 2016 7.2%
SPG	18.0%	-11.8%	2015 12.5% 2016 9.3%
SMO	19.0%	13.1%	2015 4.9% 2016 6.1%
SDF	12.3%	13.6%	2015 8.2% 2016 6.8%
SPD	9.6%	3.7%	2015 5.0% 2016 6.2%
SBT	35.1%	31.8%	2015 8.3% 2016 6.5%

Key Financials

Exceptional item: Divestment of Healthcare



in Billion Rs.	Q4 FY 2015	Q4 FY 2016	FY 2015	FY 2016
New Orders	31"3	24"5 -21.7%	101"1	120"6 19.4%
Sales	32"3	29"9 -7.5%	102"8	105"4 2.5%
Order Backlog	95"9	99"5 3.7%	95"9	99"5 3.7%
Profit from Operations	2"3	2"0	7"6	7"5
% to Sales	7.2%	6.5%	7.4%	7.1%
Other income & Finance Costs	0"4	0"7	1"6	1"6
Exceptional items	0"7	29"9	7"8	29"9
Profit before tax	3"4	32"5	17"0	39"0
Profit after tax	2"2	24"7	11"8	28"9

Exceptional items

in Billion Rs.	FY 2015	FY 2016
Profit on sale of MT business	7"1	0"0
Profit on sale of Healthcare business	0"0	30"3
Impairment for CP Factory (Test field)	0"0	-0"4
Halol impairment loss reversal	1"1	0"0
Impact on account of uncapping of gratuity limit	-0"4	0"0
Total Exceptional Items	7"8	29"9

Balance Sheet

in Billion Rs.	FY 2015	+/-	FY 2016
Net Capital Employed	51"3	28.4%	65"8
Trade Receivables Current (net)	30"2	-0.1%	30"2
Total inventories (net)	9"5	5.1%	10"0
Other Current Assets (mainly Project excess cost) and Long term trade receivables	10"9	-18.2%	8"9
Trade Payables	-23"7	-7.3%	-21"9
Advances from customers and Billing in excess	-8"0	-16.7%	-6"7
Provisions (excluding Employee provision and Dividend)	-8"5	-4.2%	-8"1
Cash and ICDs	23"7	62.1%	38"4
Fixed Assets	13"9	-8.5%	12"7
Advance Payment of Income Tax & Deferred tax	7"6	-45.4%	4"2
Proposed Dividend (including Tax)	-4"3	-40.0%	-2"6
Other NCE Items	-0"1		0"8

Major Capital Expenditure

in Billion Rs.	FY 2015	FY 2016
Capital Expenditure	2"533'	2"962'
Growth business	2"533'	2"730'
<i>therein:</i>		
<i>Capacity expansions</i>	830'	1"046'
<i>Replacements</i>	1"703'	1"684'
EHS	-	232'

Thank you

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