Siemens delivers strong Q4, fiscal-year guidance fully achieved in all respects

Joe Kaeser, Ralf P. Thomas and Michael Sen
Annual Press Conference for fiscal 2019
Munich, November 7, 2019
Notes and forward-looking statements

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This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens' net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

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.
Joe Kaeser
President and CEO of Siemens AG
Growth trend continues in fiscal 2019

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Orders</strong> in billions of euros</td>
<td>91.3</td>
<td>98.0</td>
</tr>
<tr>
<td><strong>Revenue</strong> in billions of euros</td>
<td>83.0</td>
<td>86.8</td>
</tr>
</tbody>
</table>

1 On a comparable basis, adjusted for currency translation and portfolio effects

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Page 4 Munich, November 7, 2019
Profitability remains at high level

Profit margin for Industrial Businesses
Adjusted EBITA margin

FY 2018 FY 2019
12.0%  11.5%

Profit margin for Industrial Businesses
Adjusted EBITA margin

-50 bps
11.0% – 12.0%

Earnings per share
in euros

FY 2018 FY 2019
6.01  6.93

+15%
6.30 – 7.00

1 Excluding severance charges 2 Basis points 3 Excluding portfolio gains of €1.87 in connection with stakes in Atos SE and OSRAM Licht AG
Guidance for fiscal 2019 fully achieved in all respects

<table>
<thead>
<tr>
<th></th>
<th>Guidance for FY 2019</th>
<th>Actual values for FY 2019</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>Moderate growth</td>
<td>+3%</td>
<td>✔️</td>
</tr>
<tr>
<td><strong>Book-to-bill</strong></td>
<td>&gt; 1</td>
<td>1.13</td>
<td>✔️</td>
</tr>
<tr>
<td><strong>Profit margin</strong></td>
<td>11% – 12%</td>
<td>11.5%</td>
<td>✔️</td>
</tr>
<tr>
<td><strong>Industrial Businesses(^1)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Earnings per share(^1)</strong></td>
<td>€6.30 – €7.00</td>
<td>€6.93</td>
<td>✔️</td>
</tr>
</tbody>
</table>

1 Excluding severance charges
We deliver on our promises – Fiscal-year guidance achieved six years in a row

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</thead>
<tbody>
<tr>
<td>X</td>
<td>✔</td>
<td>✔</td>
<td>X</td>
<td>X</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>
Partner of choice for our customers

Net Promoter Score

FY 2013

FY 2019

>+70%
Order backlog in 2013
€100 billion

Record order backlog in 2019
€146 billion +46%

Modernization of security systems for luggage screening at Spanish airports

Agreement on implementation of Energy Roadmap for Iraq

Industrial Cloud for higher productivity at all 122 VW plants

Tube trains for London

LNG-to-power project in Açú, Brazil

High-speed trains for Russian Railways
Innovation is the basis of our success

Research and development in billions of euros

1 For example SGRE, Portfolio Companies
The SIEMENS brand is more highly regarded than ever.
Q4 – Strong finish to fiscal 2019

Orders: +2%¹

Revenue: +6%¹

Margin for Industrial Businesses: 12.5%²

Earnings per share: €1.90²

Free cash flow: €5.3bn

Capital structure: Industrial net debt / EBITDA: 0.6x

¹ On a comparable basis, adjusted for currency translation and portfolio effects
² Excluding severance charges
**Digital Industries**

**Profit margin\(^1\)**  
Adjusted EBITA margin

\[^1\) Excluding severance charges\]
\[^2\) Basis points\]

Q4 2018: 17.8%  
Q4 2019: 19.5%

\[+170 \text{ bps}^2\]

17–23%
Smart Infrastructure

Profit margin¹
Adjusted EBITA margin

Q4 2018 | Q4 2019
--- | ---
13.0% | 13.1%

10–15%

+10 bps²

1 Excluding severance charges
2 Basis points
Siemens Mobility

Profit margin¹
Adjusted EBITA margin

<table>
<thead>
<tr>
<th></th>
<th>Q4 2018</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit margin</td>
<td>9–12%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Adjusted EBITA margin</td>
<td>11.3%</td>
<td>12.3%</td>
</tr>
</tbody>
</table>

¹ Excluding severance charges
² Basis points
Gas and Power

Profit margin\(^1\)
Adjusted EBITA margin

<table>
<thead>
<tr>
<th></th>
<th>Q4 2018</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit margin</td>
<td>5.5%</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

\(^1\) Excluding severance charges

\(^2\) Basis points
Sustainable returns to our shareholders
Attractive dividend policy

Effect of the distribution of Osram shares totaling €2.40 per share

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>€3.00</td>
</tr>
<tr>
<td>FY 2014</td>
<td>€3.30</td>
</tr>
<tr>
<td>FY 2015</td>
<td>€3.50</td>
</tr>
<tr>
<td>FY 2016</td>
<td>€3.60</td>
</tr>
<tr>
<td>FY 2017</td>
<td>€3.70</td>
</tr>
<tr>
<td>FY 2018</td>
<td>€3.80</td>
</tr>
<tr>
<td>FY 2019</td>
<td>€3.90¹</td>
</tr>
</tbody>
</table>

¹ Proposal to the Annual Shareholders’ Meeting in 2020
Sustainable returns to our shareholders – Successful share buyback programs

Share buyback programs
in billions of euros

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2.9</td>
</tr>
<tr>
<td>2014–2015</td>
<td>4.0</td>
</tr>
<tr>
<td>2016–2018</td>
<td>3.0</td>
</tr>
<tr>
<td>2018–2021</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Current share buyback program up to 3.0
Michael Sen
Co-CEO of Gas and Power Operating Company
Designated CEO of Siemens Energy
## Five reasons for a successful Siemens Energy

1. **The world needs a sustainable, affordable and reliable energy supply.**
   - Climate change is real and threatens human existence
   - Energy demand is growing worldwide
   - Electricity will be the backbone of our energy supply

2. **Siemens Energy will be a driving force in decarbonization.**
   - No medium-term alternative to high-efficiency fossil power generation
   - Long-term trend to renewables, storage, power-to-X, grid expansion
   - THE partner no matter where the journey begins

3. **Siemens Energy will play a leading role in the energy market.**
   - ~88,000 employees
   - ~€30 billion business volume
   - ~€70 billion order backlog
   - Basis for 20% of today’s global power generation

4. **As an independent company, we can bundle our strengths.**
   - Capital allocation focused on Siemens Energy
   - Flexible market access and regional presence
   - Optimal orientation for transition in the energy market

5. **Siemens Energy is Siemens.**
   - Shares Siemens’ DNA and its proud company history
   - Siemens Energy set to develop further

---

**Figures FY18 pro forma**
Siemens Energy – Milestones to public listing

November 7, 2019

March / April 2020

May 2020

June 2020

July 2020

September 2020

Today

Leadership team in place

Portfolio setup defined

Carveout concept defined for each country

Company name announced

Carveout completed

Spinoff report

Extraordinary Shareholders’ Meeting Siemens AG

Capital Market Day

Prospectus

Roadshow

Listing

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Annual Press Conference 2019
Global economy is losing momentum

Production in the machine-building industry in %, year-by-year comparison

Sources: Federal Reserve, Nationale Statistische Ämter; Forecasts: ARC, IHS Markit, VDMA

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Outlook for fiscal 2020

Siemens Group

- Book-to-bill > 1
- Moderate revenue growth\(^1\)

![Graph showing EPS FY19 and EPS FY20e with mid-point growth +4%](image)

Siemens Operating and Strategic Companies (non-listed)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Revenue growth(^1)</th>
<th>Adj. EBITA margin expectation(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Industries</td>
<td>Flat</td>
<td>17% – 18%</td>
</tr>
<tr>
<td>Smart Infrastructure</td>
<td>Moderate</td>
<td>10% – 11%</td>
</tr>
<tr>
<td>Mobility</td>
<td>Mid-single digit</td>
<td>10% – 11%</td>
</tr>
<tr>
<td>Gas and Power</td>
<td>Moderate</td>
<td>2% – 5%</td>
</tr>
</tbody>
</table>

1 On a comparable basis, adjusted for currency translation and portfolio effects
2 As reported

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Vision 2020+

Focus

Accountability

Adaptability

Siemens Energy

Industrial Core: Digital Industries, Smart Infrastructure and Mobility

Next-generation SIEMENS
Vision 2020+
Strategy concept for the industrial transformation

Foster Ownership Culture and strengthen entrepreneurial focus

Ultimate value creation
Leading in all businesses and shaping the transformation

Anticipate markets and trends

#RaisingTheBar
Focus
Accountability
Adaptability

Foster Ownership Culture and strengthen entrepreneurial focus
The next-generation SIEMENS brand – Three strong companies form an ecosystem
Questions & answers
Joe Kaeser, Ralf P. Thomas and Michael Sen

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