



Accelerating Value Creation

Ralf P. Thomas, CFO Siemens AG

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 prospectuses, 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 Report on expected developments and associated material opportunities and risks in the Annual Report and in the Half-year Financial Report, which should be read in conjunction with the Annual Report. Should one or more of these risks or uncertainties materialize, events of force majeure, such as pandemics, occur or should decisions, assessments or requirements of regulatory authorities deviate from our expectations, or should underlying expectations including future events occur at a later date or not at all or assumptions prove

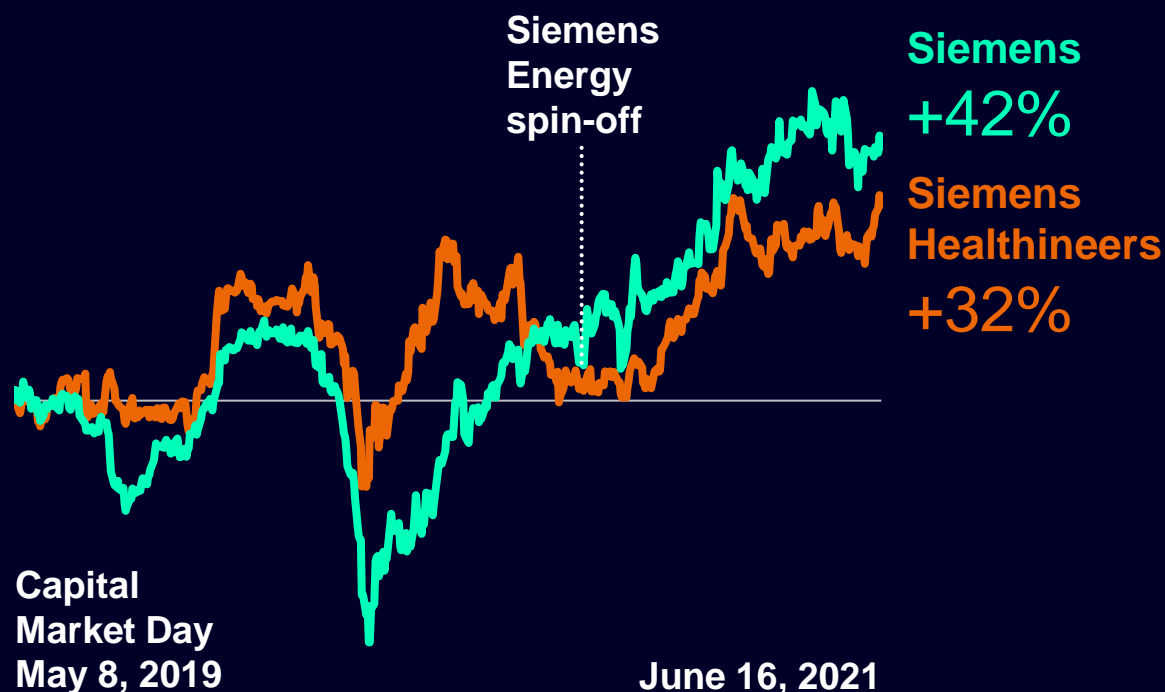
incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

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.

Successful transformation driving step-change in business profile

Successful transformation

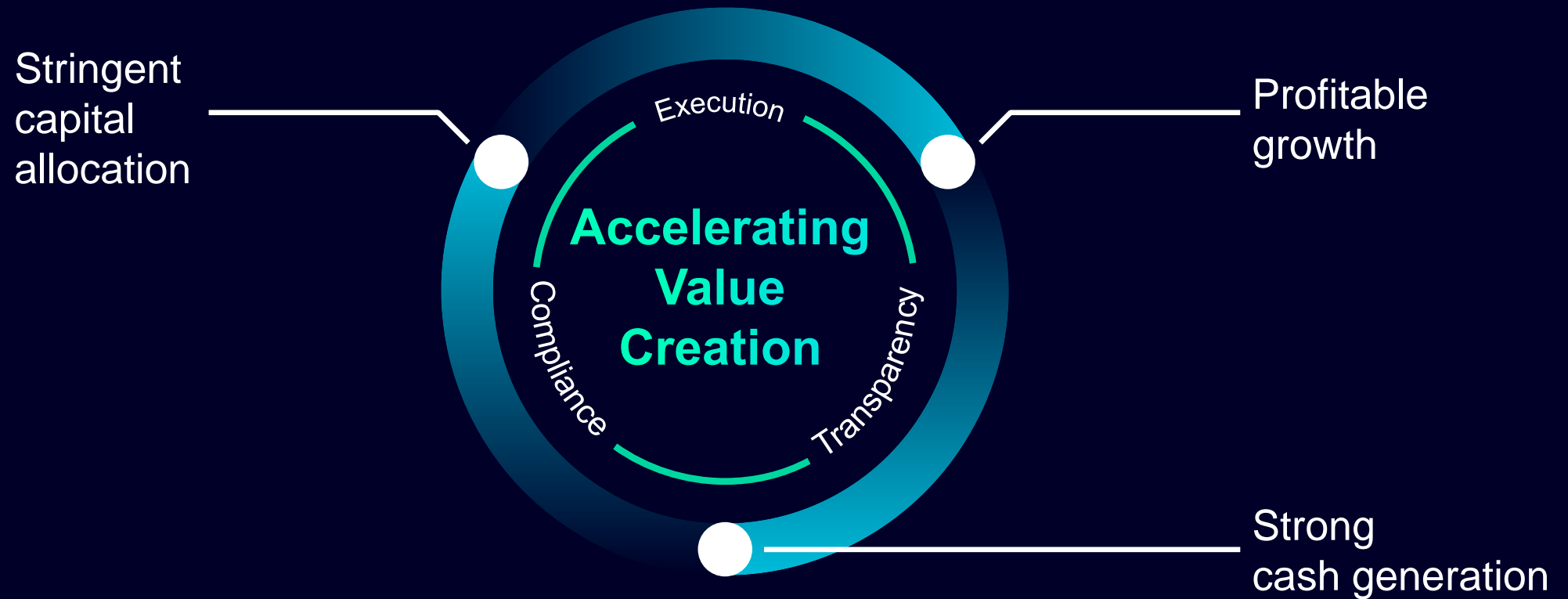


Attractive business profile

- De-risked and focused business model
- Better mix, lower project and solution share
- Higher profit conversion from product and software businesses
- Structurally improved profitability level
- Strong growth opportunities driven by secular trends, digitalization and sustainability

Excellent platform for accelerated value creation

Accelerating value creation for strong and sustainable shareholder return ...

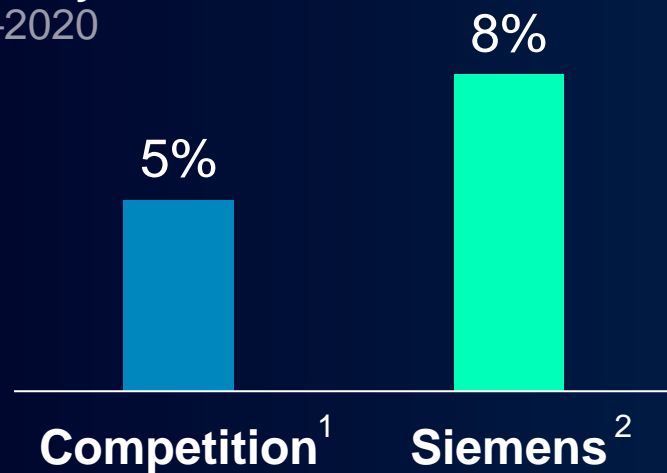


... based on strong investment grade rating

Driving profitable growth by leveraging investments in digitalization

Investments in innovation as key lever ...

R&D intensity
FY 2016–2020



- Focused capital allocation and industry-leading investments in innovation; €22bn invested over past five years²
- High level of investments into Software and IoT, ~50% of R&D spend targeted to further strengthen digital portfolio

... driving accelerated profitable growth

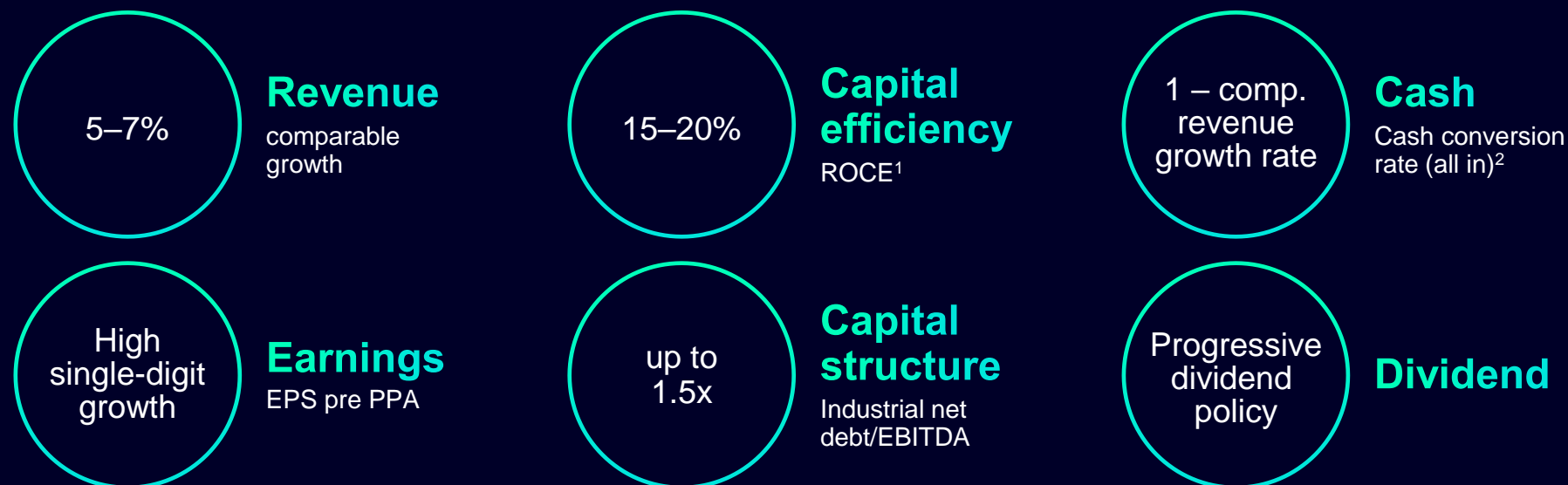
	Revenue growth (comp.)	Margin range
DI	5–7%	Maintained 17–23%
SI	4–6%	Upgraded 11–16%
MO	5–8%	Upgraded 10–13%
SHL	>5%	Maintained 17–21%

¹ ABB, Alstom, Dassault, Philips, Rockwell and Schneider ² Excluding Siemens Energy

Upgraded ambitions reflected in Siemens Financial Framework

Targets over 3–5 year cycle

Siemens



Businesses

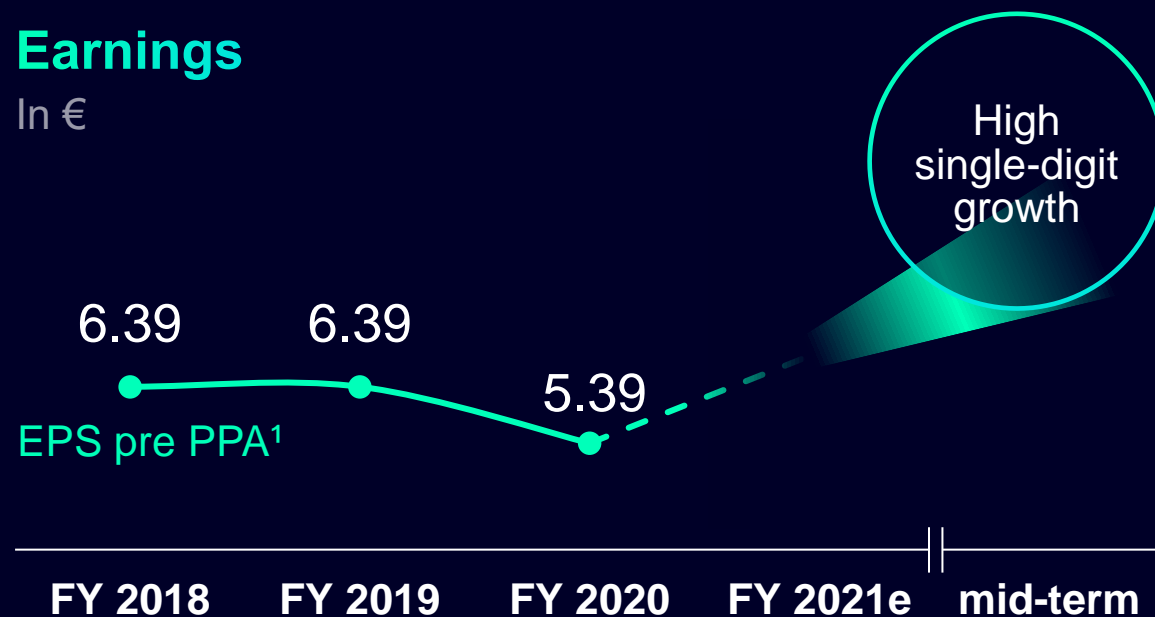
	Digital Industries	Smart Infrastructure	Mobility	Siemens Healthineers	Financial Services
Profit margin range ³	17–23%	11–16%	10–13%	17–21%	RoE ⁴ 15–20%
Cash conversion rate	1 – comp. revenue growth rate				
Resilience KPI	ARR	Service	Service		

¹ Excluding Varian-related M&A effects ² Cash conversion rate: FCF/Net income ³ "Profit" represents EBITA adjusted for amortization of intangible assets not acquired in business combinations; margin range for Siemens Healthineers reflects Siemens' expectation ⁴ Return on equity after tax

Amplified focus on cash earnings – Committed to high single-digit earnings growth

Earnings

In €



- EPS pre PPA emphasizing focus on “cash earnings”
- Grow earnings above revenue at a high single-digit rate

Cash

Target (“1-growth”): 0.99

Ø 1.13

Cash conversion rate
(all in)



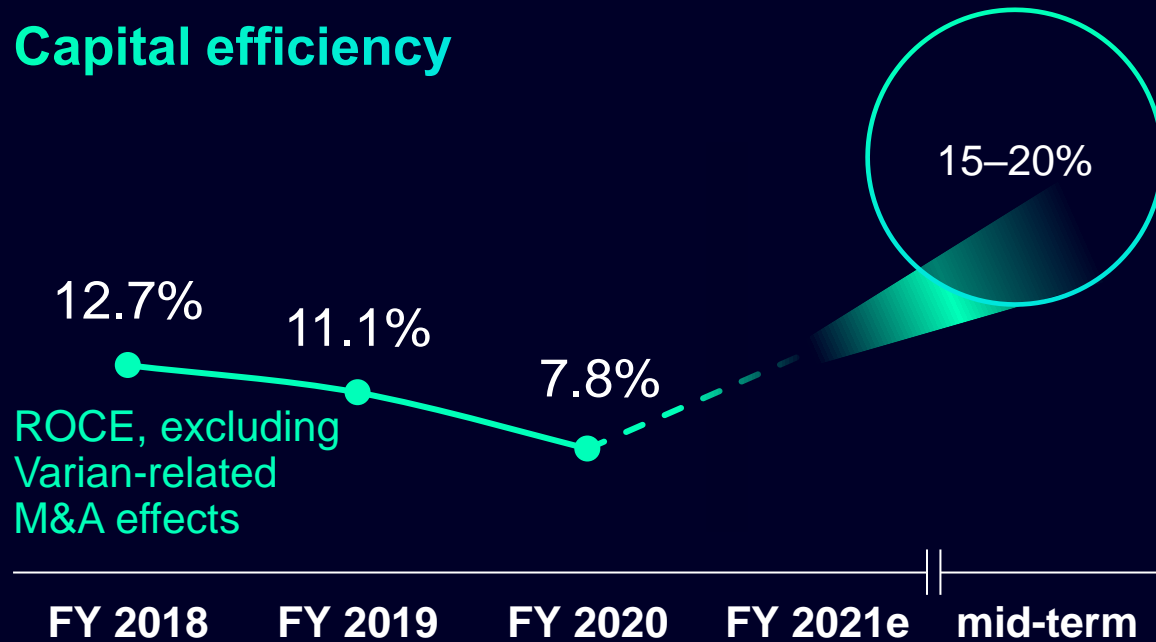
- Enhanced perspective – expanding from Industrial Businesses to Group level
- Convert income into cash over the cycle – special effects may affect annual CCR

○ Financial Framework target

¹ EPS pre PPA for FY 2018 – 2020 based on c/o comp., 2021e/mid-term based on all-in figures; for information: EPS c/o comp. FY 2018 – 2020: 5.83, 5.82 and 4.77 respectively

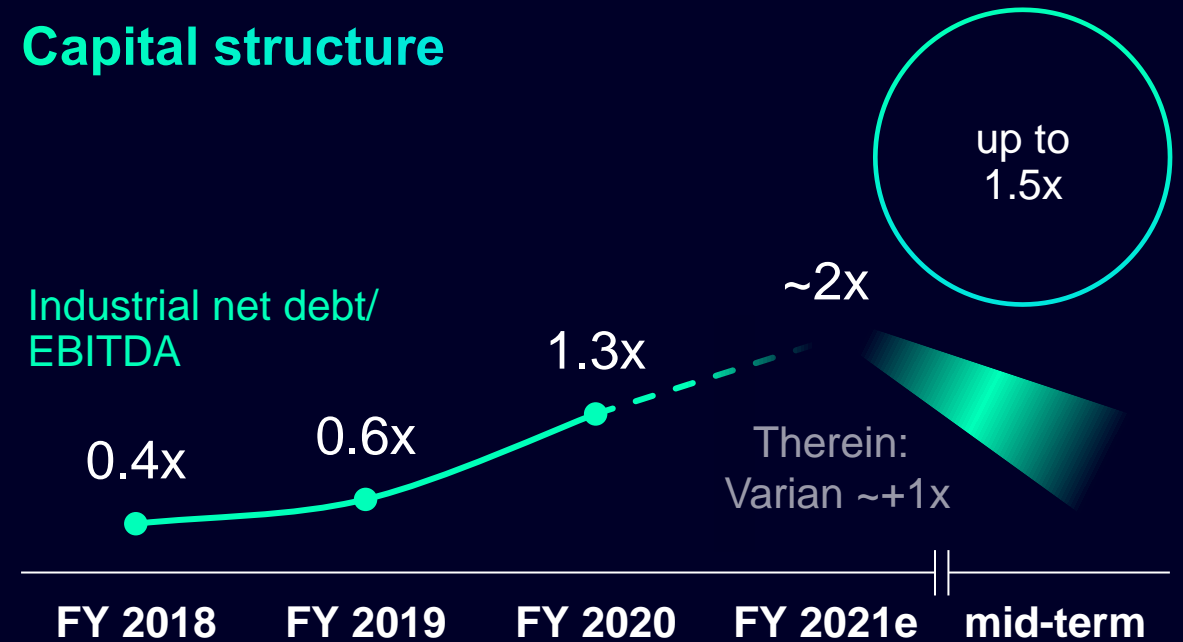
Driving ROCE to target range – Continued commitment to strong balance sheet

Capital efficiency



- Focus on profitable growth, execution of cost measures and stringent working capital management
- Approach ROCE target corridor of 15–20% by FY 2023

Capital structure



- Commit to strong investment grade rating and to deleveraging from FY 2021 level
- Approach target by end of FY 2022

 Financial Framework target

Participating in value creation through Siemens Healthineers' acquisition of Varian



Transformative acquisition

- Unique combination of diagnosis and therapy, significantly increasing relevance in healthcare
- Immediately enhanced growth profile and synergies of >€300m p.a. in FY 2025
- Financed through combination of equity and debt; Siemens bonds placed at very favorable conditions



Impact on Siemens

- Accretive to revenue growth
- Net income affected by acquisition-related cost
- Siemens shareholding of 75%
- Commitment to remain long-term majority shareholder
- Participation in strong value generation

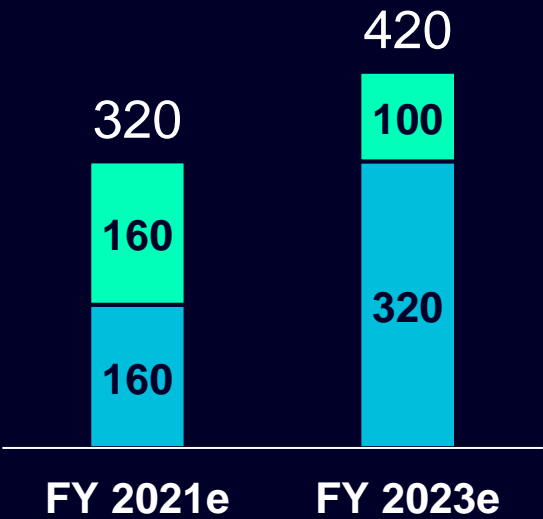
Siemens Healthineers: Strong investment case

- Attractive structural and innovation driven growth
- Sector-leading margins with further upside
- Expanding portfolio into adjacent growth markets
- Resilient performance – high share of recurring revenues and regional diversification

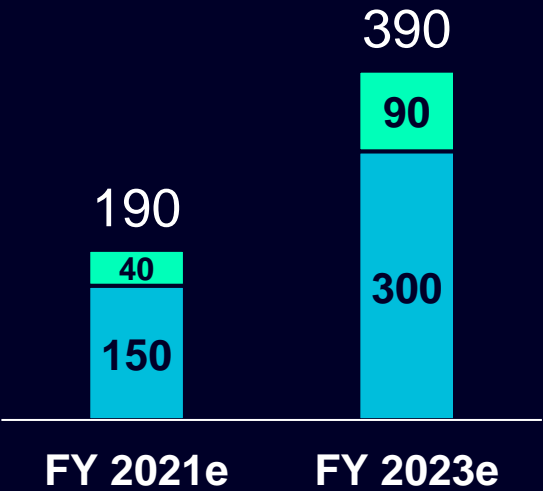
Stringent execution of competitiveness programs is driving margin expansion

Cumulative savings in million €

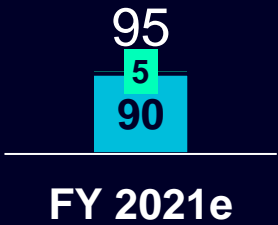
Digital Industries



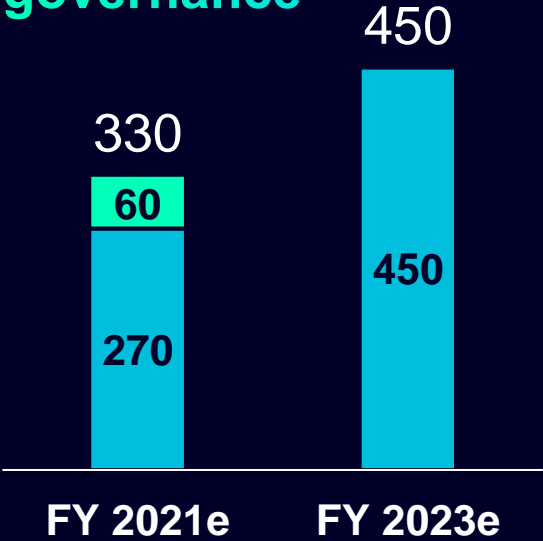
Smart Infrastructure



Global Business Services



Lean and effective governance

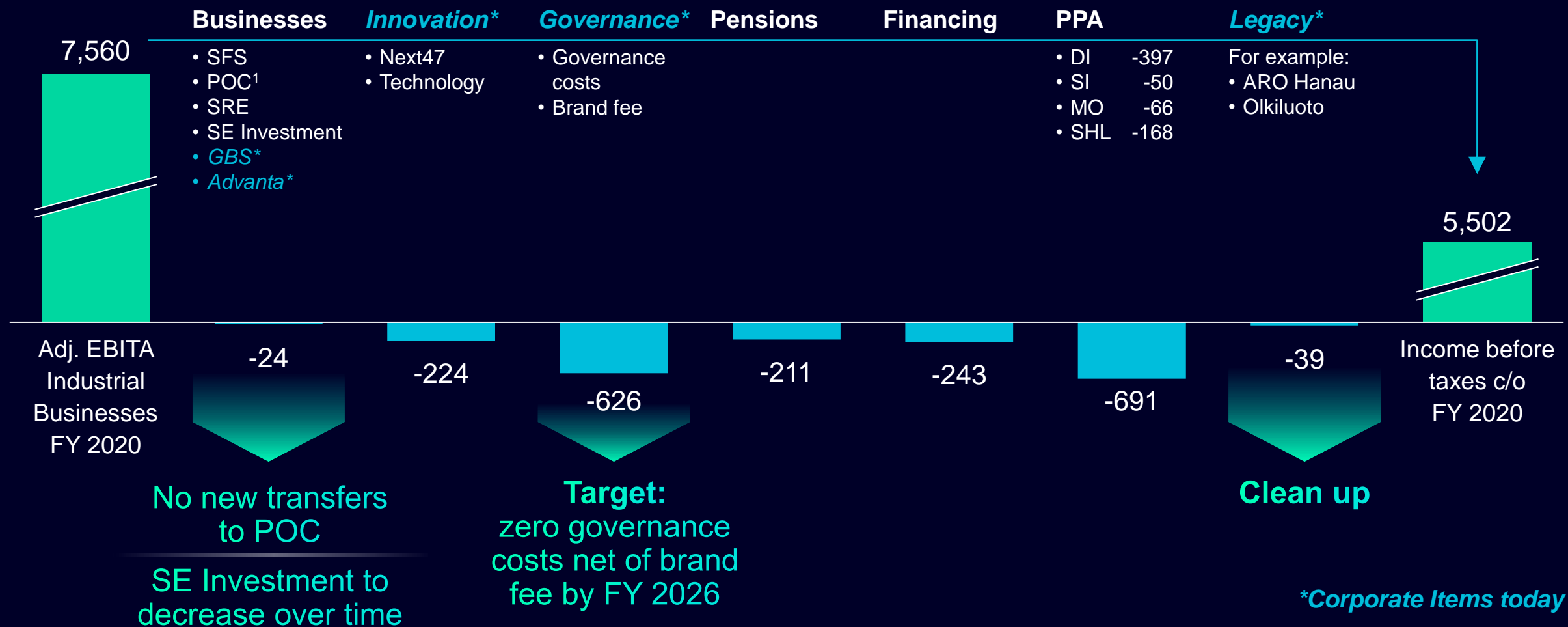


Cost measures accelerated and increased

Overachievement/additional commitment CMD 2019 target – on track

Increased transparency and clear commitments below the line

In million €



1 Incl. Valeo Siemens eAutomotive impairment of -€453m

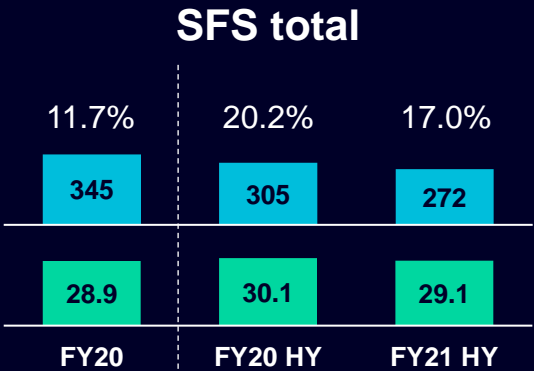
Financial Services – Prioritization on capital allocation in the core and de-risking

Key figures

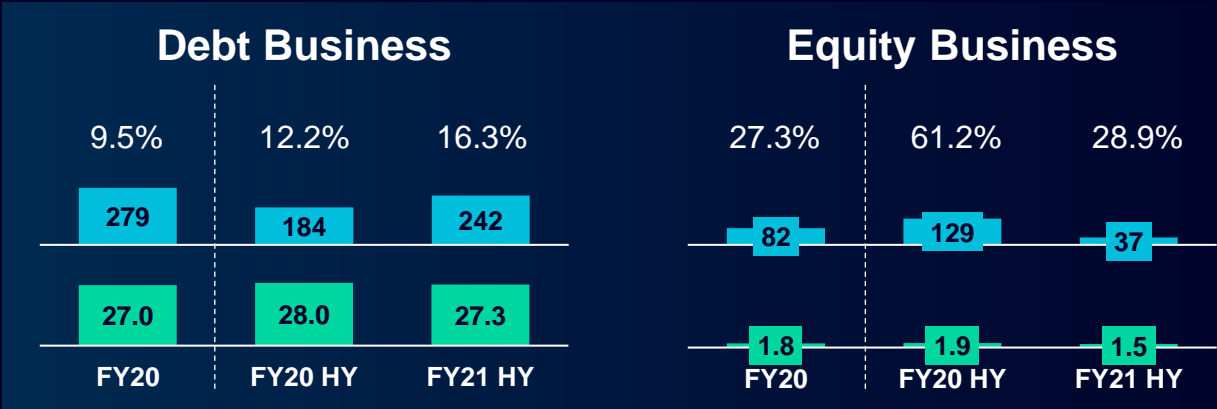
Return on Equity
(after tax)

Earnings before
taxes (€m)

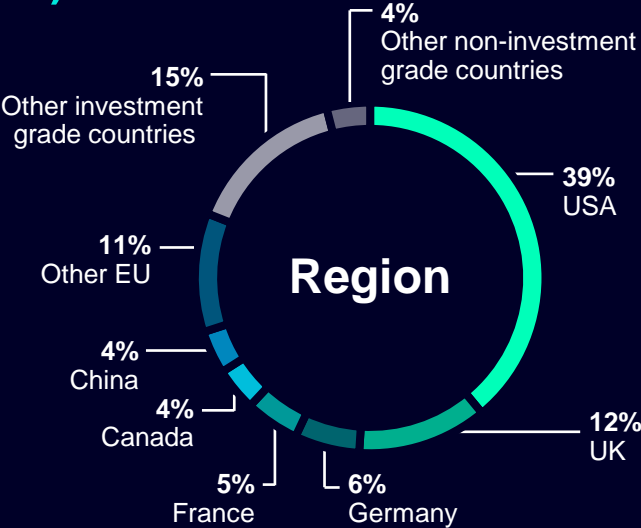
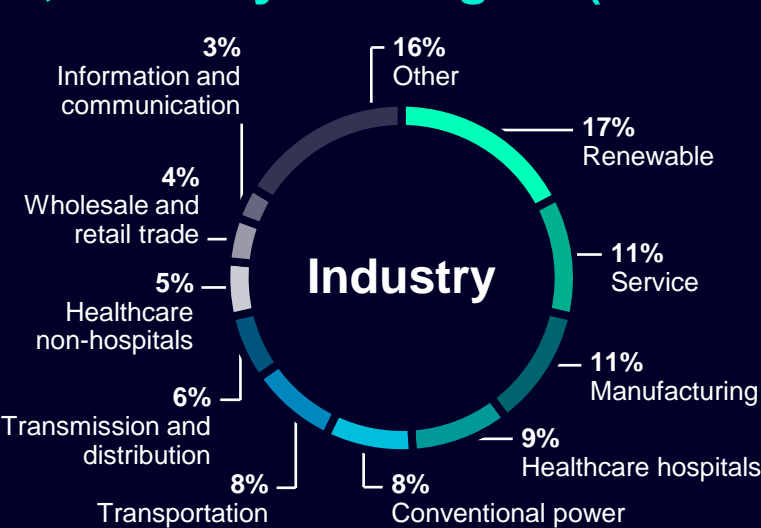
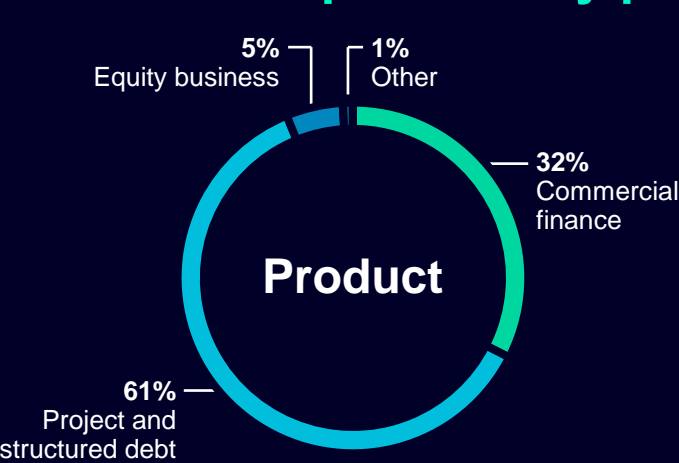
Total assets (€bn)



Therein:



Portfolio composition by product, industry and region (FY 2021 HY)



Financial Services – Strong long-term track record of supporting Siemens business with profound in-house industrial business expertise

Proof of existing concept

SFS as captive financing arm of Siemens

Highly **reliable** and **professional** partner for all Siemens Businesses



Consistently **outperforming** competition across all product lines

Today

Evolving to the next level

SFS with increasingly important role as key integrator within Siemens ecosystem

SFS success factors

			
Profound domain know-how	Highly experienced team	Strongly diversified portfolio	Strong sustainability DNA and footprint
Early involvement and better insight for credit risk valuation	~50% of SFS employees have a tenure >7 years at Siemens, which is significantly higher compared to industry standard	High risk-bearing capacity to serve financing demand of all Siemens Businesses	~90% of the debt portfolio with favorable ESG scores ¹

SFS is fostering accelerated value creation for Siemens with increased focus on a joint go-to-market and business model innovation

¹ Based on S&P ESG Risk Scores. Sum of Environmental & Social score (each scale from 1 to 6) of 2 to 8 considered favorable

Portfolio Companies – Further active portfolio management

Proof of concept – successful sale of Flender

FLENDER

- Transaction closed in Q2 2021
- Purchase price (enterprise value) of €2bn led to gain of €0.9bn pre-tax

Continued execution of full potential plans

Portfolio Companies
(FY 2020 excl. Flender)

Revenue: €3.2bn

Free cash flow: €270m

Fully owned	Large Drive Applications Siemens Logistics Commercial Vehicles Mechanical Systems & Components (Sykatec) Siemens Energy Assets ¹	<ul style="list-style-type: none">• Stringent execution for remaining fully owned Portfolio Companies• Target FY 2022: >5% profit margin for fully owned Portfolio Companies
	Equity investment	<ul style="list-style-type: none">• Ongoing transformation program and ramp-up investment

PE value creation approach proves to be effective

Driving turnaround and pursuing strategic options

¹ Siemens Energy Assets (SEA) transferred into POC during Q2 FY 2020, containing certain remaining regional business activities (IN, PK, IND, AL, GR) of Gas and Power, that were not carved out to Siemens Energy due to country-specific regulatory restrictions or economic considerations

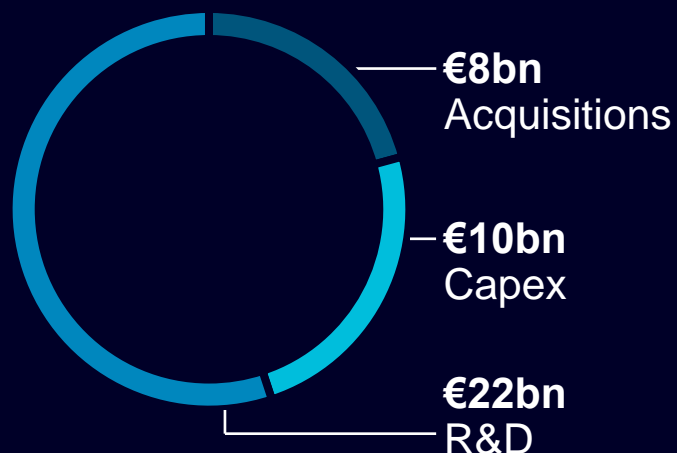
Stringent capital allocation balancing investments and shareholder return

Focused investments

FY 2016–2020

Strategic Imperatives

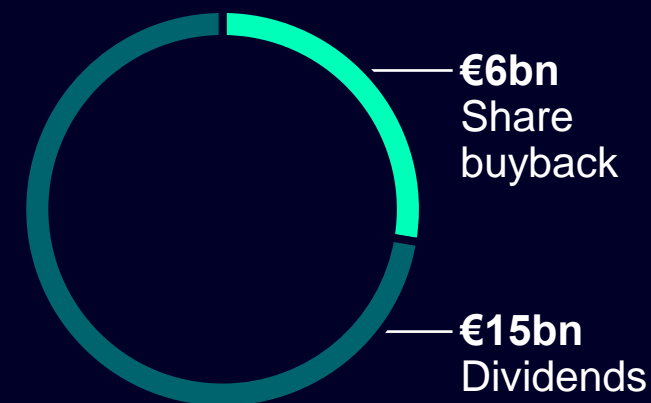
- 1 Areas of growth?
- 2 Potential profit pool?
- 3 Why Siemens?
- 4 Synergetic value?
- 5 Paradigm shift?
- 6 **Sustainability impact?**



- Organic growth at attractive returns
- Balanced global footprint
- Strengthened portfolio

Strong and sustainable shareholder return

FY 2016–2020

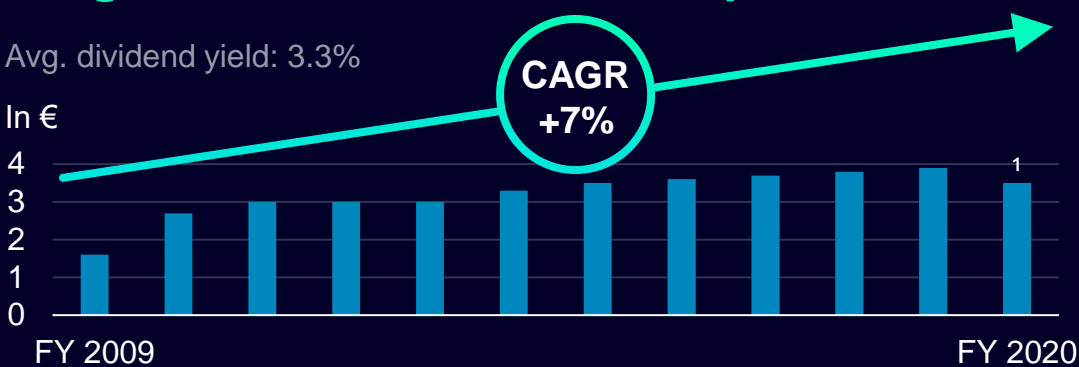


- Progressive dividend policy
- Continuous share buyback

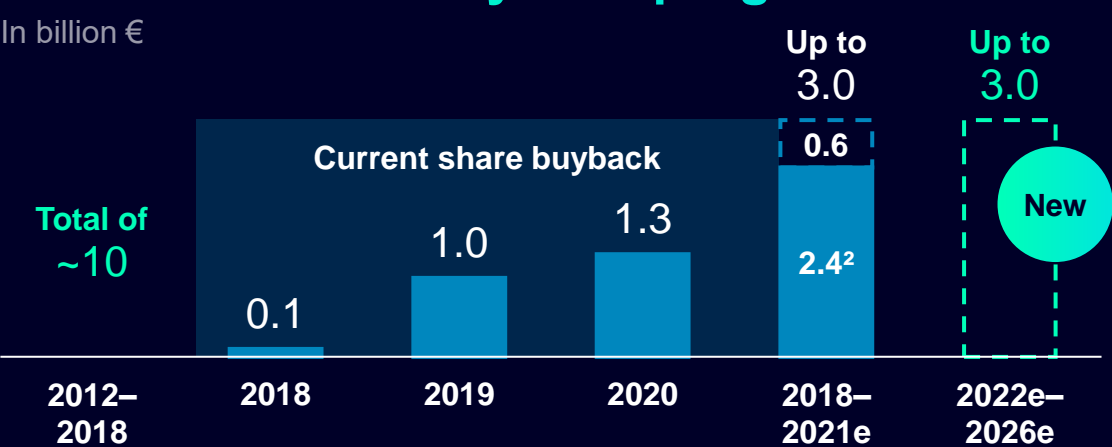
Note: Siemens c/o excluding Siemens Energy; cash-based view

Siemens continues strong focus on total shareholder return

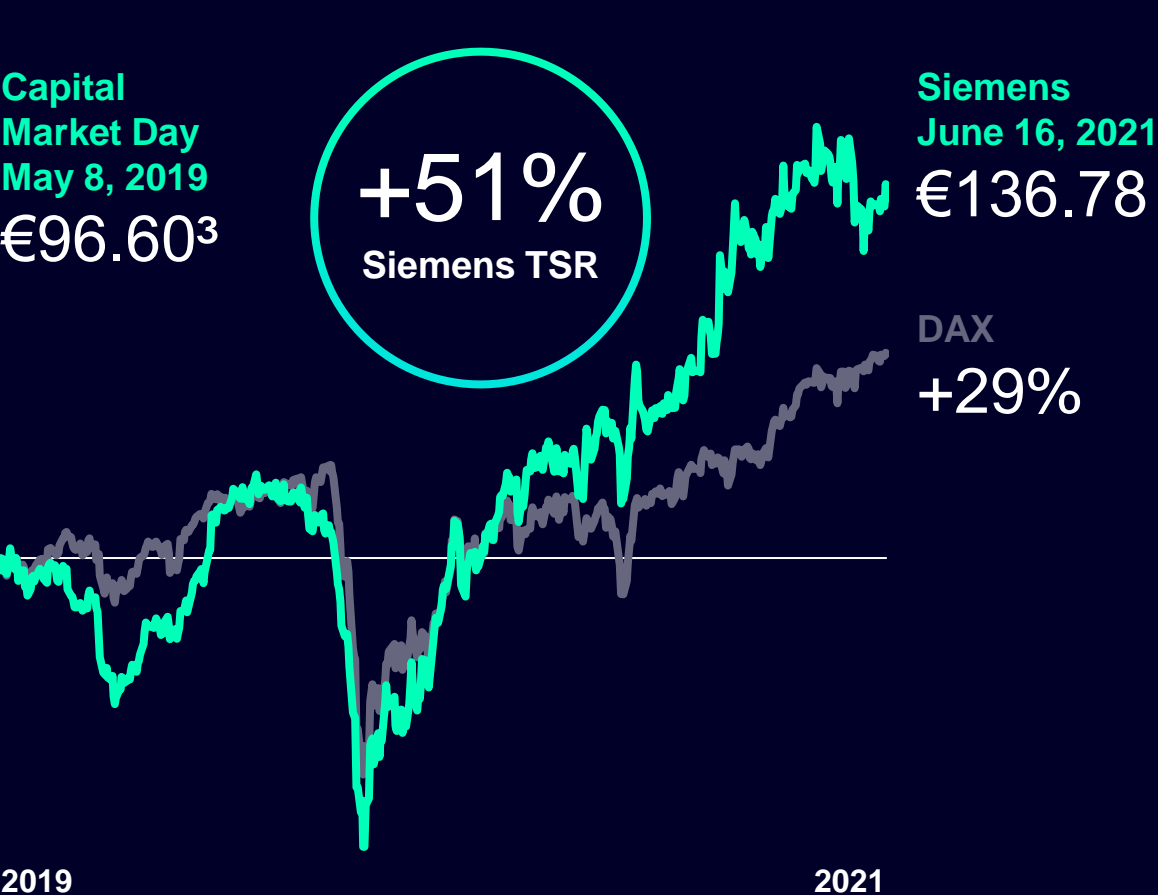
Progressive dividend development



New €3bn share buyback program



Excellent total shareholder return

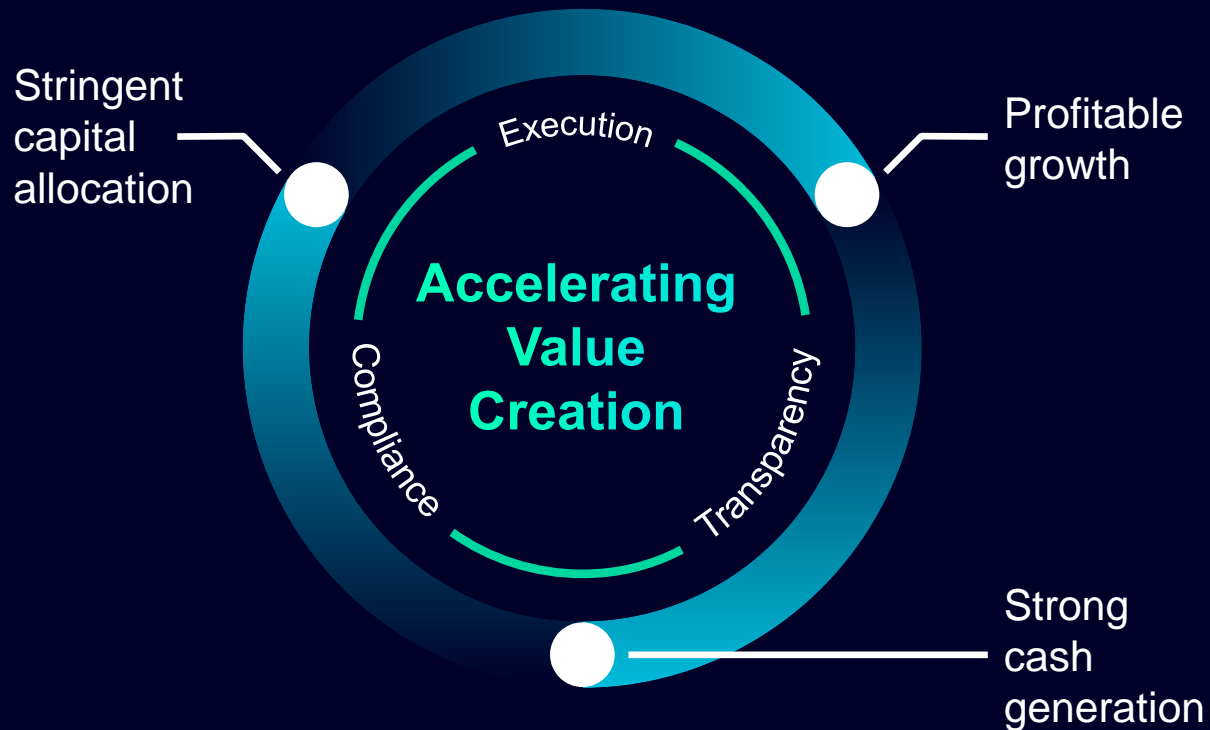


1 FY 2020 representing stable dividend compared to FY 2019, adjusted for the 10% market value of the Siemens Energy spin-off

2 As of June 11, 2021

3 Share prices rebased for Siemens Energy spin-off

Fully committed to accelerating value creation



... based on strong investment grade rating

- 1 Stringent capital allocation priorities balancing investments and shareholder returns
- 2 Leveraging innovation power and continuing transformation to drive profitable growth
- 3 Entire organization geared toward strong cash generation
- 4 Focus on execution, transparency and compliance boosting competitiveness

**Accelerating value generation
for strong and sustainable
shareholder return**