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.
Huge potential in digitalization and automation – this is our decade of opportunities
The Digital Enterprise portfolio integrates the complete lifecycle of product and production.
The Digital Enterprise portfolio integrates the complete lifecycle of product and production.
Our offering helps our customers to innovate and compete from sensor to edge to cloud.
Customer trust and loyalty is resulting in various #1 and #2 positions

### #1
- Industrial Software
- Automation
- PLC
- Chemicals
- Industrial Communication
- Motion Control
- Discrete Automation

### #2
- Process Automation
- Pharma
Based on our strong market positions, we will extend our leadership through four growth levers.

**Existing customers**

**Verticals**

**Regions**

**Small and Medium Businesses**
Digital Industries
Key figures FY 20

€15.9bn
Orders

€15.0bn
Revenue

16.6%
Profit margin
without Bentley,
with Bentley 21.7%

~72,000
Employees
Digital Industries
Portfolio

28% **Software**
- Product Lifecycle Management
- Electronic Design Automation
- Manufacturing operations
- Siemens Xcelerator cloud platform
- Industrial IoT and low-code

65% **Factory Automation**
- Automation products
- Engineering and SCADA software
- Systems for production machines
- Industrial Edge

65% **Motion Control**
- Drives and motors
- Machine tool systems
- Additive manufacturing
- Industrial Edge for machine tools and drive technology

7% **Customer Services**
- Consulting services
- Engineering and integration services

28% **Process Automation**
- Automation systems and software for process industries
- Process instrumentation and analytics
- Industrial communication and identification

Solutions for focus industry verticals

Percent of revenue FY 20
We have a balanced global footprint close to our customers

**Americas**
Global headquarters for software in the USA

- 2.4 Revenue in bn €
- 15% of total employees
- 20% of total R&D headcount
- 4 Production facilities

Note: Numbers FY 20
We have a balanced global footprint close to our customers

Asia, Australia

Global headquarters for standard motors in China

4.6
4.6
24%
24%
7

Revenue in bn €
of total employees
of total R&D headcount
Production facilities

Note: Numbers FY 20
We have a balanced global footprint close to our customers

Europe, CIS\(^1\), Africa, Middle East

Global headquarters for automation in Germany

- Revenue in bn €: 7.3
- Of total employees: 61%
- Of total R&D headcount: 56%
- Production facilities: 21

Note: Numbers FY 20\(^1\) Commonwealth of Independent States
Revenue split
FY 20 – in percent - €15.0bn

Geographical mix
- 32% Asia, Australia
- 17% Americas
- 20% China
- 17% Europe, CIS, MEA

Business mix
- 7% Service
- 51% Software
- 28% Automation
- 65% therein Solution

Vertical mix
- ~30% Others
- ~10% Aerospace and defense
- ~10% Electronics and semiconductors
- ~10% Food and beverages
- ~10% Pharma and chemicals
- ~15% Machine tools
- ~20% Automotive

~5% Others

1 Commonwealth of Independent States
Market split
Business mix – in billion €

Trends

Adoption of new technologies and new business models

Investment in sustainable digital innovation

Rise of value creating partnerships and ecosystems

Source: Siemens common market model based on market analysts data
Market split
Geographical – in billion €

Trends

- Adoption of new technologies and new business models
- Investment in sustainable digital innovation
- Rise of value creating partnerships and ecosystems

Source: Siemens common market model based on market analysts data 1 Commonwealth of Independent States

Europe, CIS\(^1\), MEA
CAGR ~+5%

Americas
CAGR ~+6%

Asia, Australia
CAGR ~+7%

CAGR +6%

2020: 119 billion €
2025: 159 billion €

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We are well prepared to capture attractive growth through increasing digitalization and automation of our industries.

Digital Twins in productive use today\(^1\)

- Today: 11%
- In 3 years: 34%
- Additional 43% to be expected in pilot in 3 years\(^1\)

\(^1\) CIMdata, 2019 survey
Industry faces fast-changing market demands – creating value for our customers

Flexibility    Quality
Speed          Productivity
Sustainability Business models
Flexibility

VINGROUP
From zero to cars in 21 months – from smartphones to ventilators in 3 weeks

Customer challenge
Shift from manufacturing smartphones to manufacturing ventilators

Solution
• License of Siemens customer Medtronic design for ventilator
• Digital twin for manufacturing by Siemens (Teamcenter, NX)

Customer benefit
• Shift to ventilator manufacturing technology from scratch in three weeks
• Were able to manufacture 55,000 ventilators/month
We combine the real and the digital worlds –
With our end-to-end capabilities and our domain know-how
See how our customers use our portfolio

Mercedes-Benz

Partnership to digitally enhance existing Mercedes-Benz factories

SIEMENS

Most advanced digital factory for Motion Control – benefitting from our portfolio’s strength

BIONTECH

Vaccine against Covid within one year – from development to release to production
Productivity Volume Flexibility

Most advanced digital factory for MC – benefiting from our portfolio’s strength

Customer challenge
- Build a new lighthouse factory for Motion Control (MC) to cover the need of the fast growing Chinese market
- Show full potential of Siemens’ automation and digitalization capabilities to customers
- Plan and optimize with digital twin

Solution
- Holistic approach using the full-fledged Siemens DI portfolio
- Planned and optimized with digital twin before factory was built

Customer benefit
- + 20% productivity
- + 30% volume flexibility
- + 50% material replenishment
- 40,000 m³ less water consumption p.a.
- 2,900 ton less CO₂ p.a.
Flexibility  
Sustainability

MERCEDES-BENZ
Partnership to digitally enhance existing Mercedes-Benz factories

Customer challenge

• Mercedes-Benz and Siemens to expand the digitalization of sustainable production methods

Solution

• Partnership to develop innovative solutions for:
  • Digital end-to-end technologies for flexible production
  • Resource-saving, CO₂-neutral factories
  • New working environments

Customer benefit

• Create new Mercedes-Benz Digital Factory Campus in Berlin as a blueprint
• Roll-out of new developments at all Mercedes-Benz plants
BIONTECH

Vaccine against Covid within one year – from development to release to production

Customer challenge
• Rapid production of Covid-19 vaccine in large quantities

Solution
• Paperless documentation of development and production, immediately fulfilling all documentation requirements

Customer benefit
• Accelerated vaccine development and production within one year
• Conversion time for existing production facility cut from one year to five months
Digital Industries is uniquely positioned —
with automation and software driving the digital transformation

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<thead>
<tr>
<th></th>
<th>Description</th>
<th>Numbers/Details</th>
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<tbody>
<tr>
<td>1</td>
<td>Loyal and constantly growing customer base</td>
<td>250k+ Customers</td>
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<tr>
<td></td>
<td></td>
<td>7,5k Partners</td>
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<td>2</td>
<td>Our strong market positions</td>
<td>#1 In industrial software, factory automation and motion control</td>
</tr>
<tr>
<td>3</td>
<td>Data generated worldwide through DI control systems</td>
<td>100 Terabytes/hour</td>
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<td>4</td>
<td>Unique end-to-end portfolio of software and automation</td>
<td>&gt;€10bn M&amp;A executed</td>
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<td>&gt;13% R&amp;D investment</td>
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<td>5</td>
<td>Global network of domain experts</td>
<td>~50% Employees are either in digital jobs or automation engineers (~14,000 in digital jobs, ~22,000 automation engineers)</td>
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<td>6</td>
<td>Passion for DI</td>
<td>53% Employees with company for 10+ years</td>
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<td>~8k Employees joined since last CMD having wide variety of skills, therein ~58% in software and sales</td>
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</table>
We adapted our customer communication to the new conditions and we reached more than 100,000 customers via virtual events in the last 12 months – through new digital formats around the globe.
Siemens with strong technology core and cross-business collaboration for accelerated customer value

Company Core Technologies
- Connectivity and edge as core offering in our partnership with Volkswagen
- Simulation and Digital Twin empowering customer Vingroup to leverage potential of digitalization
- Co-creating customer solution with Coca-Cola based on Data Analytics and AI

Cross-business technology collaboration
- Six AM Hubs across Siemens businesses co-create next generation solutions and manage the AM eco-system beyond Siemens
- Support SI with edge and automation technology
- Close co-operation in Digital Twins for different domains like DT of vehicles, of buildings and energy systems

Digital Industries
- Cyber Security
- Data Analytics & AI
- Simulation & Digital Twin
- Connectivity & Edge
- Power Electronics
- Additive Manufacturing
- Connected e-mobility

Smart Infrastructure

Mobility

14 Company Core Technologies running across Siemens\(^1\) in total

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1 Siemens Healthineers: R&D Framework Agreement in place plus option to license; Siemens Energy: R&D Framework Agreement plus Cost Pool Agreement in place
Technology with purpose

In the last fiscal year we invested about €2bn which is more than 13% of our revenue into R&D

The technologies we innovate and invest in will lift Industry 4.0 to the next level – and our customers build on them.
Ecosystems

We are combining the strength of our ecosystems providing holistic and scalable cloud and edge solutions for discrete and process industries.

1 Growth since Siemens Capital Market Day 2019
New business models

We've built an unparalleled portfolio in automation and software over the past 15 years

**>€10 billion investment in acquisitions of software companies**

In addition to the companies mentioned in the chart we have more than a dozen small and bolt-on acquisitions

Selection of acquisitions

1. Cooperation
2. Acquisition of Edge technology
3. Not yet closed

Supplyframe is a digital marketplace company focused on the electronic supply chain.

Vizendo is a technology leader in advanced process and materials modelling with focus on process industries.

PIXEOM is leader in providing a comprehensive Edge portfolio/Edge computing technology components.

Vizendo is a leading provider of virtual operator training solutions for the manufacturing industry with strong focus on the Automotive Industry.
Unique digital core allows Digital Industries Software to transform the business

Design, simulation, engineering and manufacturing software
Software helps tackle complexity in a factory before it is built
The factory of the future is going to rely more and more on virtual humans and the real and digital worlds coming together.
Digital Industries Software’s unique advantage drives growth

Comprehensive Digital Twin

Personalized Adaptable/Modern

Flexible Open Ecosystem
Comprehensive Digital Twin
The most complete digital representation of a product or factory
Design and manage all data and processes
Predict performance through simulation software
Enable comprehensive system design with electrical and electronics engineering
Connect products, plants and systems with MindSphere, the Industrial IoT as a service solution
Productivity

Reducing product development time for all-electric composite aircraft

Customer challenge
- Develop and deliver aircraft with low operating costs, low noise and no CO₂ emissions for general aviation
- Optimize plane stability while working from home

Solution
- Leverage a comprehensive digital twin

Customer benefit
- Reduced product development time
- Decreased engineering effort by 66%
- Only 7 days to re-design, test and create reports for certification through digital twin
Mendix allows any user to **create** personalized apps
An open architecture enables interoperability

>4m users of 3D modelling engine

De facto standard in visualization

~200,000 Ecosystem developers

>10m marketplace members
Siemens Software: A growth story

+50%  
Market expansion

€4.1bn  
DI Software business revenue FY 20

#1  
Industrial software
Increased demand for digital transformation
Enabling companies to become Digital Enterprises

Siemens is the best positioned company in the world to bring together IT and OT
Reduced energy usage and improved sustainability

Customer challenge
Improve bottling plant efficiency and reduce emergency downtime

Solution
- Implement an end-to-end solution
- Developed MindSphere app for predictive maintenance
- Connect machines from sensors to edge to cloud

Customer benefit
- >4% Reduction in equipment performance loss
- Eliminated 4 emergency downtimes in first 6 months
- 13% energy use reduction; 110,000 EUR savings in first year
Transforming to become a SaaS business

SaaS connects engineers, suppliers and ecosystems

- Ad-hoc collaboration for engineers
- Personalized experiences
- Access to the right data, anywhere, any device
SaaS – Good for large and small companies

Allows customers to focus on innovation while we manage infrastructure and IT

• Effortless scalability
• Faster innovation
• Easier access
SaaS and Cloud create opportunities for Siemens

New markets

New ways of working

New adopters
Offering customers freedom of choice
Transition to SaaS will drive resilient, predictable growth for Siemens

- Easier access
- Additional monetization
- Capture insights
- On demand capabilities
- Higher lifetime value of subscription
A commitment to future growth

>10%

CAGR for Software ARR
Based on its strong market positions, Digital Industries will extend its leadership through four growth levers:

- **Leaders in growth regions**
- **Additional untapped market potential**
- **Next wave growth regions**

**Existing customers**
- Integrated digital thread
- Sensors to edge to cloud
- Product to production to service

**Regions**
- Leaders in growth regions
- Additional untapped market potential
- Next wave growth regions

**Verticals**
- Domain know-how
- Lighthouse to broad market
- Automation and Digitalization

**Small and Medium Businesses**
- Fit2Purpose offering
- Increased coverage (digital + channel + partner)
Land and expand: Linking existing automation equipment to the cloud via the Industrial Cloud

Customer challenge
- Efficiency improvement for production, logistics and supply chain through data transparency and advanced analytics

Solution
- Joint development of use cases with Volkswagen, e.g.:  
  - App for predictive quality assurance of spot welds using Siemens MindSphere and Siemens Industrial Edge  
  - Predictive maintenance in press shop  
  - Tool management via Mendix app

Customer benefit
- Efficient networking of production systems, machinery and equipment at Volkswagen Group plants globally  
- Co-creation of automotive solutions which will be made available to the Industrial Cloud community
Productivity

SWIRE COCA-COLA
Expanding our leadership position in growth verticals

Customer challenge
• Improve line performance and availability

Solution
• Tracking and analysis of downtimes
• Customized manufacturing information system and mobile app for asset overview, faster fault diagnosis and predictive maintenance

Customer benefit
• Unlock annual production capacity of 550 million cans
• Benchmark and standard for Swire Coca-Cola worldwide: to be extended to 100 production lines in next two years
• Starting point for building 18 digital plants in the future and saving 10 million kWh of electricity p.a.
Broaden footprint of Industry 4.0 with small and medium-sized enterprises

Customer challenge

- Lockdown boosted demand for different varieties of canned beers
- Ramp up production in short time for microbrewery Wolf of the Willows

Solution

- Integrated automation and software solution with partner Deacam (Fermecraft)
- Linking of all different, separated components and data that are part of brewing process: reaction of ingredients, temperature, state of fermentation, etc. and streamlining the different processes

Customer benefit

- Rapidly scaled up production and tripled capacities
- Reduced ferment time from 25 to 18 days
Addressing value drivers: growth, resilient revenue, profitability and cash conversion rate

- Continuous Productivity
- Flexible cost structure
- Efficient asset management
- Stringent capital allocation
Continuous productivity
DI will overachieve its CMD 2019 cost savings commitment

**CMD Commitment 2019**
Cumulative savings in million €

- By FY 21: 160
- By FY 23: 320

**Updated forecast 2021**
Cumulative savings in million €

- By FY 21: 320
- By FY 23: 420
Flexible cost structure
We will continue to focus on additional levers to take DI to the next level

**Digitalization**
- Push digital transformation of internal processes

**Global value chain**
- Balance value creation footprint

**Portfolio**
- Actively manage portfolio and drive business model innovation

**Go-to-Market and pricing**
- Make DI Sales ready for the future

**New Normal – Design and implementation**
- Drive cultural change and enable employee performance in the New Normal
Efficient asset management
Converting growth into profit and cash | H1 Proven financial performance

Orders
In €bn
- H1 FY 20: 8.4
- H1 FY 21: 8.4
  Change: +4.7%\(^1\)

Profit
In €bn
- H1 FY 20: 1.1
- H1 FY 21: 1.7
  Change: +47%

Free cash flow
In €bn
- H1 FY 20: 1.0
- H1 FY 21: 1.6
  Change: +51%

Revenue
In €bn
- H1 FY 20: 7.4
- H1 FY 21: 7.8
  Change: +9.4%\(^1\)

Profit margin
In percent
- H1 FY 20: 15.1
- H1 FY 21: 21.3
  Change: +620bps
  Improvement: 23 base points

Cash conversion rate
- H1 FY 20: 0.93
- H1 FY 21: 0.95
  Change: +0.02

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1 Comparable growth
Stringent capital allocation
We allocate capital efficiently to ensure future growth and profit pools

Focused investments ensure DI's future value creation
Overview on DI's investment areas

<table>
<thead>
<tr>
<th>Make</th>
<th>Buy</th>
<th>Partner</th>
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<tbody>
<tr>
<td>Go-to-Market</td>
<td></td>
<td></td>
<td>• Leveraging on digitalization to ensure our Go-to-Market is future fit</td>
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<tr>
<td>Technology</td>
<td></td>
<td></td>
<td>• Investments in the evolution of industrial operations for discrete and process automation</td>
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<tr>
<td>Ecosystems</td>
<td></td>
<td></td>
<td>• Building ecosystems to provide scalable cloud and edge solution</td>
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<tr>
<td>Business model transformation</td>
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<td>• We are driving SaaS transformation which will build the foundation for future growth</td>
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A powerhouse combining the real and digital worlds

Digital Industries
Revenue split

- €15.0bn FY 20
- 72% Automation incl. Service

Software
Revenue split

- €4.1bn FY 20
- 28% Software
- 33% EDA
- 2% Mendix and MindSphere

Transition to SaaS starting 2022
- 65% PLM

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Successful shift towards resilient recurring business models
ARR as key performance indicator to monitor this resilient business stream

\[
ARR = \sum \frac{\text{Total contract value of a new subscription order}}{\text{its contract length in month(s)}} \times 12
\]
Highly accretive growth of recurring business will drive value of transformation

Annual Recurring Revenue
In billion €

FY 20
2.6

FY 25
>10% CAGR

1 Indication; non-audited, non-IFRS operational metric
Cloud business to represent more than 40% of subscription businesses by 2025.

Annual Recurring Revenue
In billion €
Thereof cloud business

FY 20
2.6
4%

FY 25
40%

>10% CAGR

1 Indication; non-audited, non-IFRS operational metric
Digital Industries Software

Up-front revenue recognition

Ratable revenue recognition
SaaS Transition and its impact

Digital Industries Software
Revenue development

Phase 0
On/above market growth

Phase 1
Start of transition
Flat revenue growth (dilution effect)

Phase 2
High growth due to base effect

Phase 3
Harvesting sustainable growth potentials of SaaS

Digital Industries
Profit margin impact

2021

2021 Profit level

FY 21

- Investment in SaaS transition, Mendix and MindSphere comparable to recent years
- Continued strong DI FCF during transformation
- DI Profit continue to grow, profit margin will be back to FY 21 level by year 4

• Investment in SaaS transition, Mendix and MindSphere comparable to recent years
• Continued strong DI FCF during transformation
• DI Profit continue to grow, profit margin will be back to FY 21 level by year 4
ARR is expected to grow at a CAGR > 10% until 2025

Stable revenue in FY 22 despite switch to ratable

Investment covered by capital reallocation

Continued strong FCF during transformation
Commitment of global leadership team
CMD 2021

~72,000
Enthusiasts in DI
Digital Industries Financial commitments
Targets over 3–5 year cycle

- 5–7% Comparable revenue growth
- >10% CAGR for Software ARR
- 17–23% Profit margin
- 1-growth Cash conversion rate (CCR)