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# Supply Chain Finance at Siemens Canada

[www.usa.siemens.com/finance](http://www.usa.siemens.com/finance)

## Supply Chain Finance – An Alternative Way to Finance

The Supply Chain Finance (SCF) Program at Siemens has been developed by Siemens Financial Services (SFS) especially for selected Siemens suppliers. As a multibank solution, the Supply Chain Finance Program at Siemens is a cost-efficient way for suppliers to convert 100% of the value of their receivables into non-recourse cash at an attractive discount rate.

The Supply Chain Finance Program helps to improve the cash flow of Siemens suppliers and optimizes their working capital. The relationship between Siemens and its suppliers can become even more efficient with the utilization of the SCF Program.

SFS is responsible for the introduction of the Supply Chain Finance Program and the coordination between involved partners. Siemens has opted for Orbian\*, one of the leading companies in the field of supply chain finance solutions, to provide a platform for funding management. Orbian's web-based platform offers an efficient and user-friendly interface for Siemens suppliers.

\* Siemens has selected Orbian for providing the SCF platform. ORBIAN Corp is an international company founded by SAP and Citibank, now held privately, with focus on supply chain finance solutions. Please find more information at [www.orbian.com](http://www.orbian.com). Orbian is not an affiliate of, or owned by, Siemens.

## Summary of Supplier Benefits

### Cash Flow Improvement

Get paid quickly: Three days following the sale of the Siemens receivable. Receivables can be sold either automatically or case-by-case depending on your need for cash.

### Working Capital Optimization

Sale of receivables for non-recourse cash improves liquidity, reduces Days Sales Outstanding (DSO) and improves the debt/equity ratio.

### Cost Reduction

Automatically get paid on invoices once they are approved and reduce Account Receivable costs relative to Siemens receivables.

### Transparency of Cash Flows

See the approved payments (receivables) on your SCF web portal immediately and gain early visibility of amount and date of payment.



## THE SCF PROCESS

The Siemens Supply Chain Finance Program enables selected Siemens suppliers to improve their liquidity through the sale of their Siemens receivables to Orbian at very attractive rates.



## COST

The only cost of the program is the discount charge that a supplier pays on the face value of the receivable to receive early payment. There are no fees to join, maintain, or exit the program.

The current annualized discount rates are based on the Supplier's annual volume with Siemens:

C\$500,000+	1.50% + CDOR
C\$300,000 – C\$499,999	1.75% + CDOR
C\$50,000 – C\$299,999	2.50% + CDOR

## EXAMPLE

A supplier with annual sales to Siemens Canada > C\$500k invoices Siemens for delivered products worth \$100,000. The payment is due in 90 days net. When participating in the SCF Program, the supplier could receive payment 80 days early.

Annualized discount rate:	3.00%	(1.50% + 1.50)
Discount charge:	\$667	$(80/360) \times .03 \times 100,000$
Discounted value receivable:	\$99,333	Cash received by supplier

*Discount Charge as a Percentage of the Receivable: 0.67%.*



## ENROLLMENT

### Enrollment paperwork

<https://www.orbiansupplier.com>

### Enrollment codes\*:

Canada: Siemens2140

US: Siemens2141

\* Based on supplier's location of incorporation

## CONTACTS AND ADDITIONAL INFORMATION

Your Siemens Business contact is available for further information.

Additionally, the Supply Chain Finance team at SFS can provide further support and assistance:

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