



Joe Kaeser

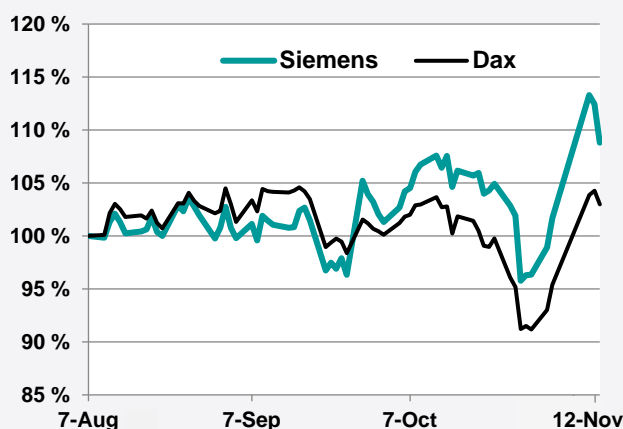


Roland Busch



Ralf P. Thomas

Share Performance Aug 7 – Nov 12, 2020



Siemens +9% | DAX +3%

GE +37% | ABB +4% | Schneider +14% | ROK +5%

[Link to the Siemens stock chart](#)

Selected Key Figures

Orders

Q4 FY20	FY20	Q4 FY20	FY20
€15.6bn / +2% ¹	€60.0bn / -7% ¹	€15.3bn / -3% ¹	€57.1bn / -2% ¹

Revenue

Adj. EBITA margin IB

Q4 FY20	FY20	Q4 FY20	FY20
18.7%	14.3%	€2.20	€5.00

Earnings per share

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

Ladies and gentlemen, dear shareholders,

Last Thursday, CEO Joe Kaeser together with Deputy CEO Roland Busch and CFO Ralf P. Thomas presented the performance of Siemens' fourth quarter and fiscal 2020 during press and analyst conference calls.

"The Siemens team delivered a strong finish to a remarkable year. While shaping the structure of the new Siemens, our industrial and earnings performance in the quarter was up year over year," said Joe Kaeser, President and CEO of Siemens AG. "After the Energy spin-off and the Flender disposal, Siemens is very well positioned to lead the industrial transformation going forward."

The Covid-19 pandemic has fundamentally changed society and our daily life. Nevertheless, Siemens **executed on major portfolio milestones of its Vision 2020+** strategy concept. An important step to streamline the portfolio was the sale of Flender, the world-leading supplier of mechanical and electrical drive systems, to Carlyle. With the listing of Siemens Energy in September, Siemens completed its structural realignment phase to create a powerful ecosystem consisting of three focused and entrepreneurial independent companies – Siemens AG, Siemens Healthineers AG and Siemens Energy AG (p. 2).

Despite the ongoing Covid-19 challenges, Siemens delivered in **Q4 of fiscal 2020 a strong finish. Orders** were up by 2% at €15.6bn, with a solid book-to-bill ratio of 1.02, driven by China with 22% growth. **Revenue** declined moderately by 3% to €15.3bn with all businesses decelerating as expected except for Mobility. Siemens performed well on the operating industrial profitability with an **adjusted EBITA from Industrial Businesses (IB)** up 10% to €2.6bn including a material valuation gain from our Bentley shareholdings and a divestment gain in Smart Infrastructure. A real highlight again was the **Free Cash Flow** of €3.8bn where Siemens built on the strong third quarter performance.

The strong finish in the quarter helped **Siemens to achieve for fiscal 2020 its revised guidance**, with a book-to-bill ratio of 1.05 – clearly above 1, and a modest revenue decline – better than expected. Additionally, Earnings per share of €5.00 is a solid result under these unprecedented circumstances.

What does the fiscal year finish mean for you as a Siemens shareholder? After the successful spin-off of Siemens Energy, Siemens proposes a **dividend of €3.50 per share**, consisting of €3.00 at the upper end of our targeted dividend payout ratio, supplemented by an additional €0.50. This represents a stable dividend compared to last year, adjusted for the 10% market value of the Siemens Energy spin. For fiscal 2021, details on Siemens' financial expectations are shown on page 3.

After the strong increase during the two weeks prior to the quarter, the Siemens share closed on the day of the results release at €113.72 (-3.2%), underperforming the DAX (-1.2%) in an overall negative market environment.

Dear shareholders, this will be my last letter to you. I want to thank you for your trust and the faithful relationship over the last 5 years. As of December 1, 2020, Eva Riesenhuber will take over as Head of Investor Relations. I wish her all the best for her new role and for you, I wish you already a wonderful pre-Christmas season.

Best regards

Sabine Reichel, Head of Investor Relations, Siemens AG

Our Industrial Businesses in Q4 2020

Digital Industries



Revenue: €3.9bn Adj. EBITA: €1,227m
Adjusted EBITA margin: 31.6%

[Press Releases](#)

[Company Overview](#)

Smart Infrastructure



Revenue: €3.9bn Adj. EBITA: €586m
Adjusted EBITA margin: 15.0%

[Press Releases](#)

[Company Overview](#)

Mobility



Revenue: €2.4bn Adj. EBITA: €241m
Adjusted EBITA margin: 9.9%

[Press Releases](#)

[Company Overview](#)

SIEMENS
Healthineers

79%*



Revenue: €3.9bn Adj. EBITA: €590m
Adjusted EBITA margin: 15.2%

[Press Releases](#)

[Company Overview](#)

* Siemens' share in Siemens Healthineers

Note: At the end of the second quarter of fiscal 2020, Gas and Power and Siemens Gamesa Renewable Energy (SGRE) were classified as held for disposal and discontinued operations

Siemens writes new chapter

Siemens has **completed its structural realignment** and thus **successfully executed** a key part of its **Vision 2020+ strategy** concept.

The **listing on September 28, 2020** in the Prime Standard segment of the Frankfurt Stock Exchange **completed the quotation of Siemens Energy** as a leader in the transmission and generation of electrical power. Thereby, Siemens has spun off 55% of Siemens Energy to Siemens' shareholders. This **step begins a new chapter in the company's history**.



The **independent Siemens companies Siemens AG, Siemens Healthineers AG and Siemens Energy AG** will work together within an **ecosystem of common interests**. In each case, however, they will focus on the priorities and characteristics of their specific businesses and industries. With some 240,000 employees, **Siemens AG will primarily concentrate on technologies** that are driving advances in the **digital transformation of industry**, in **smart infrastructure** and in **sustainable transportation**.

Digital transformation of industry, infrastructure and mobility

Competitive industries Efficient infrastructure Economic growth
Productivity Sustainable use of resources Prosperity

Siemens

Siemens Healthineers¹

Siemens Energy²

¹ Publicly listed subsidiary of Siemens | ² Publicly listed associate

"The listing of Siemens Energy means that we've successfully reached a key milestone in Siemens' structural realignment," said Joe Kaeser, President and CEO of Siemens AG. "With three powerful, focused and independent companies, we have an outstanding setup for the future. The separately listed companies will be in a significantly better position to tap the individual businesses' value-creating potential than would be possible in a conglomerate. This is another way in which we're creating prospects for sustainable, long-term expansion of each of the businesses."

"We've largely completed the current phase of our company's structural development. Now, we'll focus sharply on its digital transformation. Over the next few years, we intend to accelerate our profitable growth for the long term and concentrate on technologies that have a positive impact and create genuine added value – for our customers in the industrial and commercial sectors and for society", added Dr. Roland Busch, Deputy CEO – and future CEO – of Siemens AG.

Info Corner: Eva Riesenhuber to head Investor Relations at Siemens

Eva Riesenhuber will head Siemens' Investor Relations Department, effective December 1, 2020. She is succeeding Sabine Reichel, who is leaving the company for personal reasons after the financial reporting for fiscal 2020 is completed.



Eva Riesenhuber, has been CFO and General Partner at Next47, Siemens' global start-up unit, since 2018. As Senior Vice President for mergers and acquisitions, she was previously responsible for capital-market transactions at Siemens.

"We deeply regret that Sabine Reichel is leaving Siemens," said Joe Kaeser, President and CEO of Siemens AG. "Her extensive international experience and her strong expertise have enabled her to communicate our strategic targets and financial figures to the international capital market credibly and transparently. For these achievements, she's earned great recognition and the special thanks of our company. At the same time, I'm very pleased that, with Eva Riesenhuber, we've found a successor from within our company. I wish her every success in her new role."

Financial Calendar



Feb. 3, 2021	1st quarter FY21 financial results and AGM
May 7, 2021	2nd quarter FY21 financial results
Aug. 5, 2021	3rd quarter FY21 financial results
Nov. 11, 2021	4th quarter FY21 financial results

For further information, please click [here](#)

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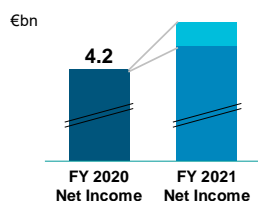
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What does Siemens expect for fiscal 2021?

FY 2021 Siemens Group

- Book-to-bill >1
- Moderate comparable revenue growth
- Moderate increase of net income



FY 2021 Framework Businesses

	Comparable revenue growth	Adj. EBITA margin expectation
Digital Industries	Modest	17 - 18%
Smart Infrastructure	Moderate	10 - 11%
Mobility	Mid-single digit	9.5 - 10.5%

Excluded from this outlook are burdens from legal and regulatory issues and effects in connection with Siemens Healthineers' planned acquisition of Varian Medical Systems, Inc., which is expected to close in the first half of calendar 2021

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 of 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 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.