Facts and figures
Fiscal 2020

SIEMENS

Joe Kaeser

President and Chief Executive Officer
of Siemens AG

Dear Shareholders,

Fiscal 2020 was one of the most remarkable years in recent decades. For society and the entire global economy, a pandemic of historic proportions presented unprecedented challenges. And this happened at a time when technological progress and geo-economic developments were already bringing changes of unparalleled magnitude and speed.

In this environment, we did comparably well by most metrics. In fiscal 2020, our share price, for instance, outperformed Germany's DAX stock index of 30 major companies, as well as the MSCI World Industrials Index for our sector. In part, it even did so by a significant margin. This is especially the case when total shareholder return is used as the measuring stick. In addition, we successfully completed the biggest and most significant structural realignment in Siemens' history, just as originally planned.

After the IPO of Siemens Healthineers nearly three years ago, the spin-off of Siemens Energy and the sale of Flender have marked another important **Vision 2020+** milestone. Now, the "new Siemens AG" enjoys lower execution risks and a more focused industrial spectrum. It has the organic strength needed to shape the industrial sector's digital age. With purpose-driven technological solutions – using hardware and, in particular, software – we can join our customers in seizing the opportunities of industrial digitalization to create value. The boost in growth momentum associated with this will provide great prospects – for both investors and employees.

The spin-off of Siemens Energy has provided an important base for securing these prospects. The planned further reduction in our stake in Siemens Energy will raise the industrial profile of the "new Siemens AG" even higher and will continue to offset charges that remain from the spin-off. The rerating of the Siemens AG share that started soon after the spin-off of Siemens Energy is a reassuring signal from shareholders pointing to a well-received equity story.

In our operating business, the "new Siemens AG" is already demonstrating strength.
In fiscal 2020, Group revenue remained very close to the prior-year level despite tough comps stemming from the pandemic. At €57.1 billion, it came in just 2% lower year-over-year. Orders declined 7% for the overall fiscal year, but the final quarter bounced back to exceed the level of the same quarter a year ago. Book-to-bill ratio remained at a very solid 1.05.

On the profit side, numbers for the year came in at the same high level as the prior year. All three of our core business areas contributed to this result by delivering impressive performances. At €7.6 billion, adjusted EBITA for our Industrial Businesses was just 3% lower year-over-year – and, at 14.3% (fiscal 2019: 14.4%), our adjusted EBITA margin remained steady at a high level. Free cash flow rose by a highly satisfactory 10% to a ten-year high of €6.4 billion.

As a result, we reported net income of €4.2 billion for fiscal 2020 (fiscal 2019: €5.6 billion). Basic earnings per share totaled €5.00 (fiscal 2019: €6.41).

So far, Siemens has made it through the crisis relatively well. While our robust range of products and services combined with tight crisis management were important factors, it was our workforce's impressive dedication that was particularly crucial. For this reason, we've recognized its exceptional accomplishments this year with a total of €200 million in one-time bonuses to employees below the senior management level.

For you, our esteemed shareholders, I'd like to summarize our situation as follows:
The close of fiscal 2020 marks the end of a turbulent year. In a difficult environment, we were able to keep our operating business stable while simultaneously setting the strategic course for the future. And we've reached key milestones for our **Vision 2020+** strategy concept. For a variety of reasons, fiscal 2021 will begin a new era for the "new Siemens AG." As far as the pandemic is concerned, we'll have to wait and see how things develop. But as far as the Siemens companies are concerned, we're very confident: From a structural perspective, all three Siemens companies – Siemens Healthineers AG, Siemens Energy AG and the "new Siemens AG" – are well prepared to master and shape the greatest disruptive transformation of our times in their respective sectors. In any case, the foundation for this future endeavor has been laid.

Thank you for your trust!
All the best!

Jim Hagemann Snabe

Chairman of the Supervisory Board
of Siemens AG

Dear Shareholders,

In fiscal 2020, Siemens AG delivered an extraordinary performance. In the midst of the COVID-19 pandemic, the Company not only demonstrated impressive operating strength, it also successfully completed its structural realignment and the succession to a new leadership team.

With regard to the Company's structural realignment, the Supervisory Board provided particularly close support for the spin-off and listing of Siemens Energy. Despite the changed environment created by the pandemic, the planned steps were implemented as originally scheduled. The Vision 2020+ strategy program aimed at **transforming a conglomerate into an ecosystem** of three powerful companies – Siemens AG, Siemens Healthineers AG and Siemens Energy AG. And this aim has now been successfully achieved.

Siemens is excellently positioned to master the challenges of a new age – an age in which digitalization continues to accelerate, the fight against climate change is becoming even more urgent and globalization is taking a new turn. In this highly dynamic world, sheer scale alone no longer guarantees business success. Crucial now is **speed** – in decisions, execution, innovation and adaptation. And this speed is exactly what the Siemens ecosystem is designed to deliver. The three Siemens companies now have the speed, agility and adaptability needed in this environment. As focused companies, they can fully dedicate their resources to transforming their individual markets – and can define and shape the future of these markets.

Parallel to this structural realignment, the Supervisory Board successfully executed its **succession plan** for the Managing Board of Siemens AG. At the conclusion of the Annual Shareholders' Meeting in 2021, Roland Busch will become President and CEO. His many years of international experience in various leadership roles and his high level of digital and technological expertise make him the ideal choice for driving the next phase in the transformation of Siemens AG. Our strong new leadership team also includes Ralf Thomas as Chief Financial Officer, Judith Wiese as Chief Human Resources Officer and Labor Director, Cedrik Neike as Managing Board member with responsibility for Digital Industries and Matthias Rebellius as Managing Board member with responsibility for Smart Infrastructure.

On behalf of the Supervisory Board, I'd like to take this opportunity to express my deep appreciation to outgoing President and CEO Joe Kaeser for his forty years of outstanding service to Siemens. During his tenure as CEO, the Company has seen a comprehensive renewal and superbly adapted its strategy and structure to the challenges of demanding times. Mr. Kaeser has shaped a key chapter in Siemens' history and laid a firm foundation for the future.

I'd also like to express my sincere gratitude to Klaus Helmrich. After an impressive 35-year career at Siemens, he'll retire from Siemens and step down from the Managing Board in March 2021. Most recently, Mr. Helmrich very successfully guided the Company's industrial automation and industrial software businesses, key pillars of today's new Siemens AG. For his outstanding services to the Company, he deserves our highest respect.

Siemens began its reinvention early and from a position of strength. As the successes and progress achieved in fiscal 2020 impressively demonstrate, this effort is now paying off. On behalf of the Supervisory Board, I'd like to warmly thank all the employees and employee representatives of Siemens AG and all Group companies for their effective cooperation and extraordinary achievements over the past twelve months!

With our shareholders' interest in mind, the Supervisory Board closely supported the Company's transformation in fiscal 2020 and advised and monitored the Managing Board. A new, promising chapter is now beginning. As **Team Siemens** writes this new chapter, I'm convinced it will continue the great success story of this remarkable Company.

For the Supervisory Board

Fiscal 2020 – Financial summary

For Siemens, fiscal 2020 was to a large extent determined by two factors, one external – COVID-19 – and one internal – the spin-off and public listing of our energy business.

The worldwide spread of COVID-19 led to the biggest health crisis and the deepest recession since the Second World War and affected many of our key customer industries. Siemens managed this challenge well. The health and security of our employees and business partners was – and continues to be – our highest priority. Our other key priorities during the crisis have been ensuring business continuity wherever possible in a responsible manner and safeguarding Siemens' strong financial position. While the pandemic has affected our markets in various ways and with different prospects for recovery, Siemens has remained a reliable partner for customers and suppliers. The pandemic has increased activity in the digital economy and underscored the need for digitalization and the development of the industrial internet of things. These are core competencies of Siemens, and common to each of our industrial businesses **Digital Industries, Smart Infrastructure, Mobility** and **Siemens Healthineers**.

During fiscal 2020, we created an independent player in the energy market with the **spin-off** and **public listing** of **our energy business** under the name Siemens Energy. Following approval by our shareholders, we completed this transaction in September 2020 as planned. We allocated 55.0% of our ownership interest in Siemens Energy to our shareholders, transferred a further 9.9% to Siemens Pension-Trust e.V., and hold the remaining share of 35.1%. This gives Siemens Energy more entrepreneurial freedom in its rapidly changing market environment. The three Siemens companies – **Siemens, Siemens Healthineers** and **Siemens Energy** – are now a family of companies specialized in their respective fields and tied together by the strong Siemens brand.

At the beginning of fiscal 2020, we already faced macroeconomic headwinds, particularly at our short-cycle businesses. In addition, effects related to COVID-19 began to burden volume, the Adjusted EBITA and the Adjusted EBITA margin of our industrial businesses from the second quarter of fiscal 2020 onwards. As a consequence, we were no longer able to confirm the original outlook for fiscal 2020 given in our Annual Report 2019. In our Half-year Financial Report 2020 we revised our outlook for revenue development to a moderate decline on a comparable basis and refrained from giving guidance for basic EPS from net income for fiscal 2020. With solid results in our industrial businesses and in Siemens Financial Services, particularly given the adverse economic environment, we achieved our revised target for revenue development. On a comparable basis, revenue declined 2%, we delivered basic EPS from net income of €5.00, return on capital employed (ROCE) was 7.8%, and our capital structure came in at 1.3.

Orders were €60.0 billion, down 7% year-over-year on both a nominal and a comparable basis. The decline came mainly from Mobility, due to sharply lower volume from large orders year-over-year, partly caused by the postponement of tenders for large rail and infrastructure projects as a consequence of COVID-19. Lower volume from large orders was also a main reason for a clear decline in orders at Smart Infrastructure. Digital Industries kept orders on the prior-year level with rapid growth in its software business, while orders in its automation businesses declined due to lower demand from some of their most important customer segments, particularly the automotive and machine building industries. Orders at Siemens Healthineers rose slightly on increases in its diagnostics and imaging businesses. The book-to-bill-ratio for Siemens was 1.05, thus fulfilling our expectation of a ratio above 1.

Revenue declined 2% on both a nominal and a comparable basis, to €57.1 billion. This was due mainly to a clear decrease at Digital Industries' automation businesses, and a more modest decline at Smart Infrastructure. Siemens Healthineers kept revenue on the prior-year level, while revenue at Mobility rose slightly driven primarily by the rolling stock business.

Adjusted EBITA Industrial Businesses declined 3% to €7.6 billion on lower Adjusted EBITA at Siemens Healthineers, at Smart Infrastructure including declines across its businesses, and at Mobility due in part to a less favorable revenue mix. These decreases were only partly offset by higher Adjusted EBITA at Digital Industries, which included a strong contribution from the software business and benefited from a €0.8 billion positive effect related mainly to a revaluation of its stake in Bentley Systems, Inc. (Bentley). Overall, Adjusted EBITA Industrial Businesses was burdened by severance charges of €0.5 billion, sharply higher than a year earlier. The vast majority of these severance charges were booked at Digital Industries and Smart Infrastructure, which are executing cost structure improvement and competitiveness programs.

The **Adjusted EBITA margin of our Industrial Businesses** was 14.3%, nearly on the prior-year level of 14.4%. With Adjusted EBITA margins of 21.7% and 9.1%, respectively, Digital Industries and Mobility were within their long-term margin ranges; Digital Industries was within its range even without the above-mentioned effect related to Bentley, which added 5.1 percentage points to the Adjusted EBITA margin. With Adjusted EBITA margins of 15.1% and 9.1%, respectively, Siemens Healthineers and Smart Infrastructure were below their long-term margin ranges.

The loss outside the Industrial Businesses came in substantially larger year-over-year. The change was due mainly to an impairment of €0.5 billion on an equity investment stake at Portfolio Companies in fiscal 2020. In addition, Siemens Financial Services reported a sharp decline in earnings before taxes on higher credit risk provisions and lower equity investment results year-over-year, and a return on equity after tax of 11.7%, below its margin range. Prior-year results outside the Industrial Businesses benefited from a significant positive effect related to the measurement of a major asset retirement obligation.

Net income was €4.2 billion, down from €5.6 billion year-over-year. This was due mainly to the aforementioned lower results, particularly outside the Industrial Businesses. In addition, discontinued operations, largely related to our former energy business, reported a loss of €0.1 billion in fiscal 2020 compared to income from discontinued operations of €0.5 billion a year earlier. As a result, basic EPS from net income declined to €5.00, compared to €6.41 in fiscal 2019.

ROCE for fiscal 2020 was 7.8%, down from 11.1% in fiscal 2019. This decline was due to a combination of lower net income and an increase in average capital employed.

We evaluate our **capital structure** using the ratio of industrial net debt to EBITDA. Due primarily to an increase in long-term debt year-over-year, this ratio rose to 1.3, compared to 0.6 in fiscal 2019.

Free cash flow from continuing and discontinued operations for fiscal 2020 increased 10% year-over-year to €6.4 billion, reaching its highest level since fiscal 2010.

We intend to continue providing an attractive return to shareholders. After the successful spin-off of Siemens Energy, the Siemens Managing Board, in agreement with the Supervisory Board, proposes a dividend of €3.50 per share, consisting of €3.00, which is at the upper end of our targeted dividend payout ratio, supplemented by an additional €0.50. A year earlier the **dividend** paid per share was €3.90.

Key figures fiscal 2020

Volume

		FY 2020	FY 2019	% Change Actual	% Change Comp.[1]
Orders	in millions of €	**59,977**	64,682	(7)%	(7)%
Revenue	in millions of €	**57,139**	58,483	(2)%	(2)%
Book-to-bill ratio		**1.05**			
Order backlog	in billions of €	**70**			

Profitability and Capital efficiency

		FY 2020	FY 2019	% Change
Industrial Businesses				
Adjusted EBITA	in millions of €	**7,560**	7,789	(3)%
Adjusted EBITA margin	in %	**14.3%**	14.4%	
Continuing operations				
EBITDA	in millions of €	**7,601**	8,683	(12)%
Income from continuing operations	in millions of €	**4,290**	5,158	(17)%
Basic earnings per share[2]	in €	**4.93**	5.94	(17)%
Discontinued operations				
Income (loss) from discontinued operations, net of income taxes	in millions of €	**(90)**	490	n/a
Basic earnings per share[2]	in €	**0.06**	0.47	(86)%
Continuing and discontinued operations				
Net income	in millions of €	**4,200**	5,648	(26)%
Basic earnings per share[2]	in €	**5.00**	6.41	(22)%
Return on capital employed (ROCE)	in %	**7.8%**	11.1%	

Capital structure and Liquidity

		September 30, 2020	September 30, 2019
Total equity	in millions of €	**39,823**	50,984
Industrial net debt	in millions of €	**10,189**	6,404
Industrial net debt/EBITDA		**1.3**	0.6

		FY 2020	FY 2019
Free cash flow			
Continuing operations	in millions of €	**6,625**	5,167
Discontinued operations	in millions of €	**(220)**	678
Continuing and discontinued operations	in millions of €	**6,404**	5,845
Cash conversion rate			
Industrial Businesses		**0.94**	0.86

Employees

		September 30, 2020 Continuing operations	September 30, 2020 Total[3]	September 30, 2019 Continuing operations	September 30, 2019 Total[3]
Siemens Group	in thousands	**293**	**293**	295	385
Germany	in thousands	**90**	**90**	91	116
Outside Germany	in thousands	**203**	**203**	204	269

1 Throughout excluding currency translation and portfolio effects.
2 Basic earnings per share – attributable to shareholders of Siemens AG. For fiscal 2020 and 2019 weighted average shares outstanding (basic) (in thousands) amounted to 806,335 and 807,273 shares, respectively.
3 Continuing and discontinued operations.

The Siemens Share/Investor Relations

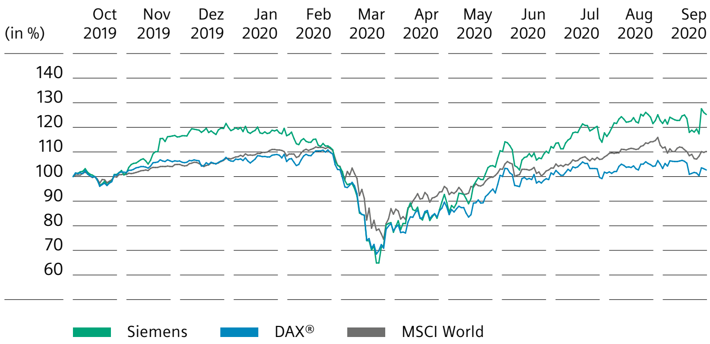
Stock performance. After a positive start into the fiscal year, the Siemens share was also hit hard by the slump in the stock markets caused by the COVID 19 pandemic in March. Subsequently it was able to recover continuously and reached its annual high of €120.10 at the end of August. On September 25, 2020, Siemens Energy AG was spun off from Siemens AG and has been listed as an independent share on the Frankfurt Stock Exchange since September 28, 2020. At the end of the accounting period, the Siemens share closed at a nominal value of €107.88 (€118.89 including the equivalent value of the Siemens Energy spin-off). For shareholders who reinvested their dividends and the equivalent value of the Siemens Energy spin-off, the Siemens share price increased by 25.7%, significantly outperforming both the DAX (+2.7%) and the MSCI World (+10.4% with dividends reinvested).

The strength of the Siemens share is illustrated by a long-term comparison: The assets of an investor who acquired Siemens stock worth €1,000 at the beginning of fiscal 2011 and reinvested the dividends and the equivalent value of the OSRAM and the Energy spin-offs in Siemens shares would have increased to €2,424 by the end of fiscal 2020. This annual return of 9.3% (on a comparable basis) is above the results of the leading German stock exchange index, the DAX (+7.4%) and almost in-line with the leading international index MSCI World (+9.4%).

Siemens on the capital market. An intensive dialogue with the capital market is of great importance to us. Cultivating close contacts with our investors, we keep them informed of all major developments throughout Siemens. As part of our investor relations work, we provide information on our Company's development in earnings releases and half-year and annual reports. Our CEO and CFO also support our continuous dialogue with investors by participating in roadshows and conferences. At Capital Market Days, Company management informs investors and analysts about our business strategy and market environment.

Our investors have fast and direct online access to our financial calendar, half-year and annual reports, earnings releases, ad hoc announcements, analyst presentations, shareholder letters, the equity story and press releases at **WWW.SIEMENS.COM/INVESTOR/EN**

Change in the value of an investment in Siemens shares in fiscal 2020 (with dividends and the equivalent value of the Siemens Energy spin-off reinvested; indexed)



Stock market information

		FY 2020[1]	FY 2019[1]
Siemens stock price (Xetra closing price)			
High	in €	**120.10**	110.34
Low	in €	**60.88**	85.00
Fiscal year-end	in €	**107.88**[2]	98.25
Number of shares issued (September 30)	in millions	**850**	850
Market capitalization[3] (September 30)	in millions of €	**86,230**[2]	79,854
Basic earnings per share[4]	in €	**5.00**	6.41
Diluted earnings per share[4]	in €	**4.93**	6.32
Dividend per share	in €	**3.50**[5]	3.90

1 Fiscal year from October 1 to September 30.
2 After the Siemens Energy spin-off.
3 On the basis of outstanding shares.
4 Continuing and discontinued operations.
5 To be proposed to the Annual Shareholders' Meeting.

Further information

Address Siemens AG
Werner-von-Siemens-Str. 1
80333 Munich, Germany
Phone +49 89 636-33443 (Media Relations)
+49 89 636-32474 (Investor Relations)
Fax +49 89 636-30085 (Media Relations)
+49 89 636-1332474 (Investor Relations)

E-mail press@siemens.com
investorrelations@siemens.com

Copies of the Annual Report can be ordered free of charge at:
WWW.SIEMENS.COM/ORDER-ANNUALREPORT

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, 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. 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.