SIEMENS

Press

Erlangen, February 5, 2018

Siemens Finance Week

Using sustainable financing solutions to reach the cutting edge of digitalization

- From February 5-9, Siemens will present concrete solutions for ways that companies and investors can shape the digital future.
- Digitalization opens up huge potential for small and mid-sized companies in the manufacturing industry with productivity gains of up to 10 percent.
- In the energy and infrastructure markets, efficiency gains are used to attain a large degree of sustainability.
- These efforts will require extensive investments, which are made easier with innovative financing solutions like pay-per-outcome financing, software financing and project financing.

During the opening session of Siemens Finance Week in the Siemens Technology and Application Center in Erlangen, about 60 decision-makers from small- and medium-sized enterprises learned about the potential of digitalization and ways that new, customer-centric business models can be introduced with the help of financing solutions. The Company Barometer prepared by the German Chambers of Commerce and Industry shows that 68 percent of small and medium-sized enterprises in Germany see opportunities for new digital business models. The optimization potential is enormous: In the manufacturing industry alone, according to the results of a Siemens Financial Services white paper, productivity can be boosted by up to 10 percent through continued digitalization. Figures from the United Nations Committee on Trade and Development (UNCTAD) indicate that this would amount to business volume of approx. €650 billion globally and €60 billion in Germany.

"Digitalization is having an increasingly direct impact on companies: New business models are being continuously developed, product cycles are shrinking and investment needs are growing," said Roland Chalons-Browne, CEO of Siemens

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Press release

Financial Services (SFS). "These changes mean that access to financing is becoming a critical factor in business success, particularly for small and mediumsized enterprises. We help companies in all Siemens markets make the right investment decisions as they work to position themselves in this complex and dynamic market environment."

Veronika Bienert, CFO of SFS, served as the moderator of the event in Erlangen and summed up the discussion this way: "Particularly in the manufacturing industry, the combination of technology and financing expertise is becoming an increasingly important factor in companies' ability to make quick, targeted investment decisions and thereby ensure their own competitiveness over the long term. This is exactly what SFS makes possible with its many years of experience in Germany and around the globe."

SFS has provided numerous financing solutions that have facilitated new digital business models and sustainable investments in technology. The program of Siemens Finance Week includes a presentation about a manufacturer financing program for ASM Assembly Systems GmbH & Co. KG. The Munich-based producer of placement systems provides its customers with a tailored financing program put together with the help of SFS. The program enables small and medium-sized companies in various high-tech industries to increase their use of digitalization – with the help of Siemens technologies.

SFS is providing commercial finance solutions for digitalization projects at small and medium-sized enterprises in 14 international markets. These customers include the small company Bétrancourt in Picardie, France. SFS helped digitize their development work in aviation and aerospace. The Install Group, a company based in Khabarovsk, Russia, has used SFS financing solutions to modernize a number of its metal-processing facilities. At the automotive supplier ASR Industries of India, a financing solution provided by SFS facilitated the expansion and automation of production capacities. Chin Fong Machineries Ltd. of China used a SFS solution to optimize working capital and cash flow as a way of improving its working relationship with distributors.

Join our Live Session summarizing the event on Monday, February 5, 2018, 15:45pm CET, via Twitter: <u>www.twitter.com/siemens_SFS</u>

You will find additional real-time updates on Finance Week on Twitter, hashtag #FinanceWeek, as well as on <u>www.siemens.com/financeweek</u>

Related Links:

Whitepaper "The Digitalization Productivity Bonus" https://www.siemens.com/content/dam/webassetpool/mam/tag-siemenscom/smdb/financing/whitepapers/sfs-whitepaper-2017-the-digitalization-productivitybonus.pdf

Study of the Nations Committee on Trade and Development (UNCTAD) http://unctad.org/en/PublicationsLibrary/ditctab2016d3_en.pdf

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Siemens AG (Berlin and Munich) is a global technology powerhouse that has stood for engineering excellence, innovation, quality, reliability and internationality for 170 years. The company is active around the globe, focusing on the areas of electrification, automation and digitalization. One of the world's largest producers of energy-efficient, resource-saving technologies, Siemens is a leading supplier of efficient power generation and power transmission solutions and a pioneer in infrastructure solutions as well as automation, drive and software solutions for industry. The company is also a leading provider of medical imaging equipment – such as computed tomography and magnetic resonance imaging systems – and a leader in laboratory diagnostics as well as clinical IT. In fiscal 2017, which ended on September 30, 2017, Siemens generated revenue of \in 83.0 billion and net income of \in 6.2 billion. At the end of September 2017, the company had around 377,000 employees worldwide. Further information is available on the Internet at: www.siemens.com.