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Siemens ecosystem to shape transformation in key societal challenges

**Healthcare systems**
- Aging society
- Affordable healthcare
- Population growth
- Increase in chronic disease
- Personalized healthcare
- Pandemic

**Digital transformation of industry, infrastructure and mobility**
- Competitive industries
- Efficient infrastructure
- Productivity
- Economic growth
- Sustainable resource use
- Prosperity
- Personalized healthcare

**Energy transition**
- Reliable supply
- Growing demand
- Decarbonization
- Distributed energy systems
- Climate challenge/CO₂
- Digitalization

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Siemens

Siemens Healthineers
- ~241,000 employees
- ~€44bn revenue
- ~54,000 employees
- ~€15bn revenue

Siemens Energy
- ~91,000 employees
- ~€29bn revenue

Employee figures as of March 2020
Revenue figures based on FY 2019 as reported
Vision 2020+ fully on track
Drive transformation to shape change

Fostering Ownership Culture and sharpening the company’s focus

Ultimate value creation
Leading in all businesses and shaping the transformation

Focus
Putting focus ahead of scale effects

Transformation
Anticipating markets and trends

- Siemens Energy spin-off nearly completed
- Flender spin-off announced and initiated
- Cost programs in execution
- Leverage Covid-19 opportunities

Value

2019 2020 2021 2022
Vision 2020+
Medium-term financial targets unchanged

- REVENUE GROWTH: +2 PPT
- EBITA FOR INDUSTRIAL BUSINESSES: +2 PPT
- GROWTH IN EARNINGS PER SHARE

> Revenue growth
We are fully committed to deliver on Vision 2020+ targets

- Develop business mix towards growth markets
- Expand digitalization and IoT portfolio
- Use opportunities in decarbonization and decentralization of energy
- Further outgrow market in Mobility

**REVENUE GROWTH**

+2 PPT

**EBITA FOR INDUSTRIAL BUSINESSES**

+2 PPT

- Rigorous execution of competitiveness programs
- Deliver on Corporate cost reductions
- Operational excellence and stringent project execution
- Stringent capital allocation

Geared to consistently deliver cash conversion of 1 – growth rate
Spin-off rationale: A mutually beneficial transaction
Focused resource allocation offers attractive opportunities

Spin-off creates independent and agile energy champion with strong brand and Siemens engineering DNA
Siemens to relinquish majority ownership from the outset
Further reduction of stake in Siemens Energy planned

- 55% of Siemens Energy AG shares will be transferred to Siemens AG shareholders prior to first day of trading
- Within 12-18 months post spin-off: Siemens intends to further significantly reduce its stake in Siemens Energy

1) Of which 12.02% held by the wholly owned subsidiary Siemens Beteiligungen Inland GmbH
Independent Siemens Energy with strong financial base and experienced supervisory board

- **No full consolidation** of Siemens Energy after the spin-off
- **Deconsolidation agreement** ensures that Siemens **cannot exercise any controlling influence** on the Siemens Energy business, e.g. limitations on exercising of voting rights

- **S&P Global**: Solid Investment grade rating of "BBB" with stable outlook
- **Equity ratio of 35.8%** (June 30, 2020)
- **Strong balance sheet**
- **Very solid liquidity status**

- **20 members**¹, therein three members employed by the Siemens Group: Joe Kaeser (Chairman) | Ralf P. Thomas (Audit Committee) | Matthias Rebellius

¹ Ten supervisory board members representing shareholders and ten supervisory board members representing employees
### Collaborative relationship of Siemens AG with Siemens Energy

**SIEMENS brand**

- Siemens Energy and SGRE continue to operate under the Siemens brand
- Brand fee for Siemens Energy ex. SGRE: 0.3-1.2% of "Siemens brand" net revenue, depending on EBITA margin\(^1\)
- Initial tenor of *trademark license agreement* 10 years

**Preferred Financing Agreement**

- Siemens Energy has continued access to Siemens Financial Services at arms' length
- Equity financing: Up to €1.5bn in first 5 years, further 5-years period at least €0.5bn
- Debt financing and leasing

**Guarantees**

- Siemens holding ~€42bn in guarantees (as of June 30, 2020)
  - of which 50% are expected to be ramped down in 5 years
- Supportive banking group in place

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\(^1\) Based on EBITA margin adjusted for the purpose of the trademark license agreement; EBITA margin ≤ 6.5% = 0.3% / EBITA margin ≥ 9.0% = 1.2%
All milestones achieved - Siemens Energy listing in final stages

March 2020 ... August 2020

- Portfolio set-up defined
- Brand name announced
- Acquisition +8% SGRE stake
- Leadership team in place
- Carve-out effective March 31
- Siemens Energy in D/O
- Spin-off report published
- S&P Rating: BBB stable outlook
- EGM Approval with >99%

September 1
Capital Market Day

September 7
Prospectus

September 28
Initial listing

Prime Standard segment
Frankfurt Stock Exchange