S&P Global
Ratings

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Siemens AG

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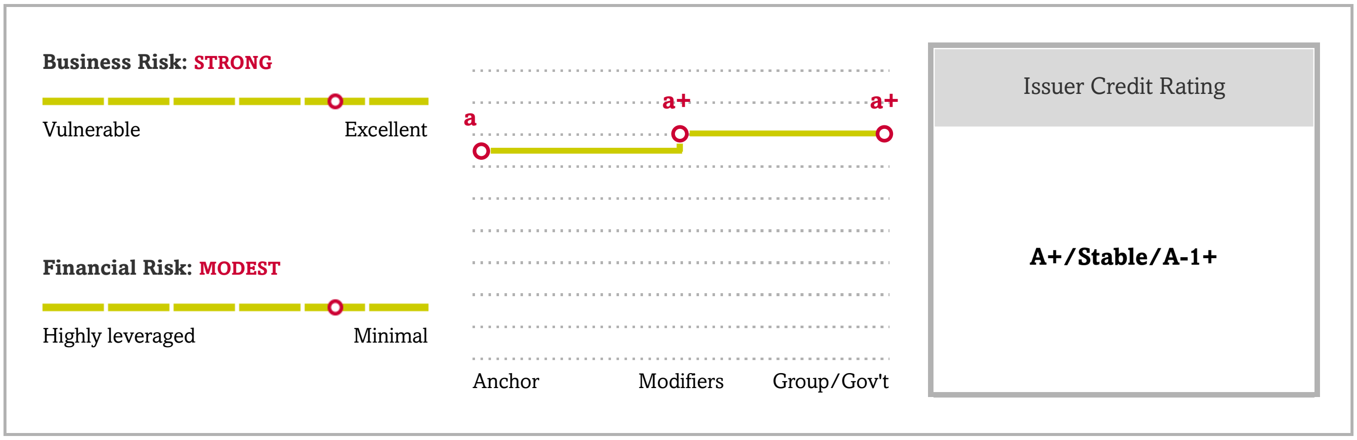


Credit Highlights

Overview

Key Strengths	Key Risks
Leading market positions in all business divisions, and a highly diverse global industrial portfolio.	Exposure to energy- and commodity-related end markets in certain divisions, which are hampered by overcapacities.
Strong technological capabilities across all covered product segments and world-leading position in digitalized solutions for industrial production.	Significant cash outflow through shareholder distributions via dividends and share buybacks, as well as acquisitions.
Very strong credit metrics in 2018 and forecast over 2019-2020 as a result of operating performance and a decline in adjusted net debt.	
Conservative financial policy, including a cap on industrial net debt to EBITDA of 1x.	
Abundant liquidity, with sound discretionary cash flow generation through the cycle providing a high degree of financial flexibility.	

Leading market positions further complemented by strong technological capabilities. Siemens has leading market positions in all its business divisions, and a highly diverse global industrial portfolio, including activities unrelated to the industrial investment cycle such as healthcare. Siemens ranks No. 1 or No. 2 in all its major industry end markets. Its market position is particularly strong in discrete industrial automation and digital factory solutions, where we currently see the company as the global No. 1 provider, and healthcare equipment, with additional world-leading positions in process automation, electrification, building technologies, fossil power and renewable technology, and in rail transportation.

In all these fields Siemens has strong technological capabilities, global scale of operations, and high entry barriers provided by technology, the need for high research and development (R&D) investment, and a track record as a global leader. Siemens further has reoriented its industrial portfolio toward higher growth segments, as demonstrated by higher revenue growth than its diversified capital goods peers (a five-year compound annual growth rate (CAGR) of 2.9% versus 1.1% for General Electric).

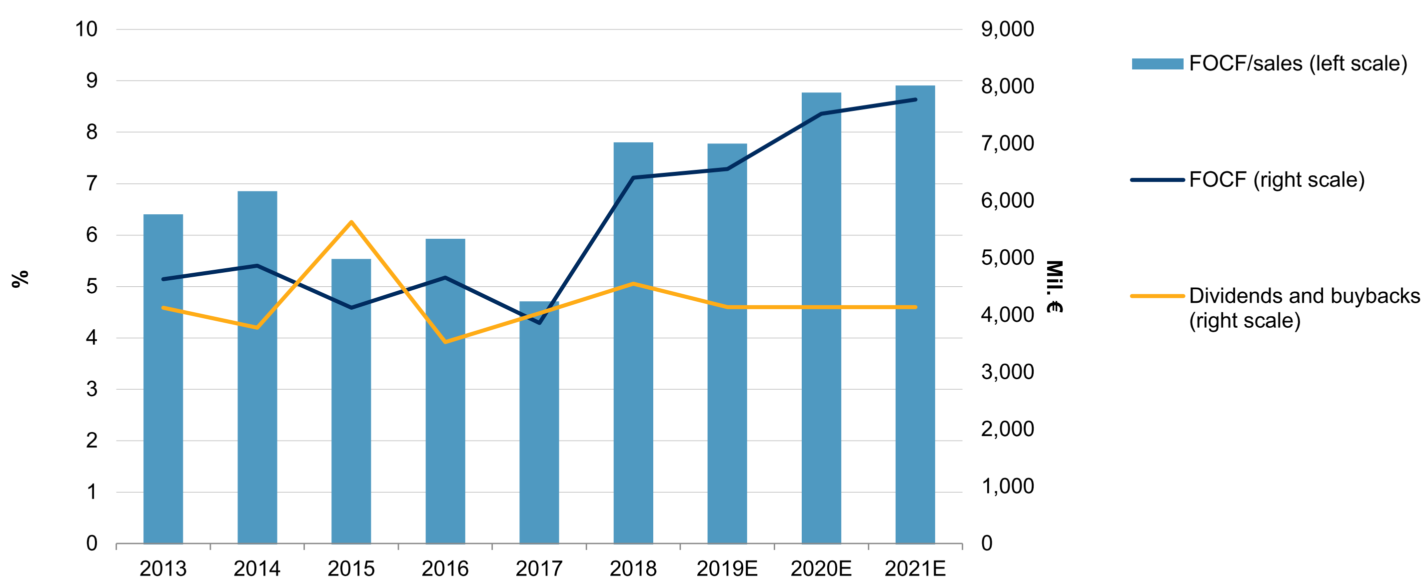
Siemens' global leadership in providing digitalized solutions in the form of automation and software for manufacturing industries is one of the key drivers behind its strong competitive position. Acquisition of Mendix Group, Mentor Graphics, and CD-adapco in recent years demonstrates Siemens' strategic direction, as well as continuous investments in its own Product Lifecycle Management (PLM) software and cloud services. In our view, this strengthened Siemens' business profile by complementing its digitalized products and solutions portfolio, accelerating growth, and generating synergies. In 2018, the Digital Factory division grew 14% in orders and 11% in sales to €12.9 billion, becoming Siemens second-largest division, just after Healthineers with €13.4 billion, and most profitable with a reported EBIT margin of 20% (Healthineers 16.5%, group 11.3%).

Siemens' announced mobility division merger with its French competitor Alstom S.A. (not rated) was not approved by the EU's Competition Commission. However, Siemens remains the largest European provider of rail equipment and automation and global No 2 behind China's CRRC Corp. Ltd. (A+/Stable/--).

Continued substantial free operating cash flow (FOCF). Siemens is capable of generating significant FOCF over the industry investment cycle, enabling it to invest in growth through acquisitions and return cash to its shareholders via dividends and share buybacks. We expect Siemens will generate FOCF of €6 billion-€8 billion per year over 2019-2021.

Chart 1

Siemens AG: Free Operating Cash Flow



E--Estimate. Source: S&P Global Ratings.

Siemens' credit metrics are currently very strong for the rating level with adjusted funds from operations (FFO) to debt at 123% on Sept. 30, 2018, the end of fiscal year. Should Siemens not engage in large-scale acquisitions, we expect the metrics to even improve gradually as a result of strong operating and financial performance and cash generation, despite shareholder distributions and share buybacks. Siemens' shareholder distributions have been relatively stable in the past and the company did not declare a special dividend after the partial listing of Healthineers. We would therefore expect the excess cash to be used for mergers and acquisitions.

The group continues to pursue returning cash to shareholders. The annual dividend payout has been within management's guidance of 40%-60%. In 2018, Siemens completed its share buyback program initiated in 2015 with a total volume of €3 billion. In November 2018, it further announced a new share buyback program, with a volume of up to €3 billion (including the outstanding warrants), to be executed by November 2021. We expect Siemens to follow through with the program, as well as continue to develop the group through bolt-on and larger acquisitions, for which there is financial headroom at the current rating level.

Outlook

'We expect the group's operating and financial performance will remain steady, despite the need to reduce overcapacity in operations related to energy and commodity markets. In our view, the group will be able to offset these weaknesses through improved growth and margins in its advanced automation, software, and healthcare activities, and related digital services. This should enable the group to easily maintain an adjusted ratio of FFO to debt at the higher end of the 45%-60% range in the next several years, even in the case of larger acquisitions.

We expect that Siemens will have adequate financial means to absorb the impact of slowing global economic growth and continuously low investment in energy- and commodities-driven end markets. Furthermore, the proceeds from the partial listing of its healthcare division should provide Siemens with additional financial flexibility to execute growth organically and inorganically.

Upside scenario

Siemens currently has very strong credit metrics and significant headroom in terms of ratios at the current rating level. An upgrade could result from a more conservative financial policy than the group's current target of industrial net debt to EBITDA of 1.0x, which could lead to FFO to debt remaining above 60% on a permanent basis.

Upside could also materialize as a result of further expansion of revenue and margins, as well as continuous growth of the group's highest-margin divisions Healthcare and Digital Factory. Also, growth through acquisitions could further improve the group's credit profile, provided that credit metrics remain inside the current ratio guidance.

Downside scenario

We currently do not anticipate a negative rating action for Siemens over the coming two years. We could consider such an action as a result of large cash- and debt-financed acquisitions, with no offsetting asset disposals, leading to credit ratios no longer in line with the current rating, in particular FFO to debt at the lower end of the 45%-60% range.

We could also lower the rating if Siemens' operating performance, margins, or portfolio diversification were to worsen significantly. This could occur as a result of, in particular, the group giving up control of its healthcare division, which, with strong margins and steady cash flow, is the most stable of its operating divisions.

Our Base-Case Scenario

Assumptions

- Slower GDP growth in the eurozone of 1.6% in 2019 and 2020 as recovery continues, and of about 2.3% in 2019 and 1.8% in 2020 in the U.S. In Siemens' other key operating region, Asia-Pacific, we forecast GDP growth of 5.3% in 2019 and 2020. However, we expect overall supportive capital expenditure (capex) and operating expenditure over the next two years in the most important end markets, despite the risk of economic cooling-off.
- Low-single-digit revenue growth in 2019 and 2020, resulting from strong short-cycle business, the current order book at the all-time-high of €137 billion (book-to-bill ratio: 1.25), and continuous strong growth (mid-single-digit or higher) in the Digital Factory division.
- EBITDA margins on an adjusted basis declined to about 13.4% in 2018, following Siemens' restructuring in the power and large drives businesses. However, cost-saving initiatives, strong expansion in the digital solutions business, and growth in healthcare will continue to support margins: We expect margin expansion again to about 14% in 2019 and about 14.5% in 2020.
- R&D expenses of 6%-7% of revenues and capex of 3.0%-3.5% of revenues across divisions, but with an intention to further develop and expand in particular its digital services and healthcare businesses.
- A dividend payout ratio of 40%-60% of net income according to Siemens' financial policy.
- Modest mergers and acquisitions-related cash spending not exceeding €500 million annually over the next two years. We expect the group will adjust future acquisition-related spending to its annual cash generation and its leverage targets.
- Share buyback program with a volume of about €1 billion per year.
- No changes in financial policy.

Key Metrics

	2018A	2019E	2020E
Adjusted EBITDA margin (%)	13.4	About 14.0	14.0-14.5
FFO/debt (%)	123	130.0-140.0	170.0-175.0
Debt/EBITDA (x)	0.5	About 0.5	0.3-0.5

A--Actual. E--Estimate. FFO--Funds from operations.

Base-Case Projections

We expect the market environment to remain mixed, due to a mild recovery in the commodity markets and unfavorable energy dynamics being slightly offset by strength in the short-cycle and non-commodity businesses and ongoing expansion in the digitization and software business. Siemens' business is exposed to current economic uncertainties including Brexit and U.S.-China trade dispute, but we view the direct impact of both as marginal in Siemens' context.

In 2019 and 2020, we expect Siemens will continue to show modest revenue growth. We expect all of Siemens' industrial businesses to be in or above their current target profitability ranges except for Power and Gas, which continues to face challenges. We expect Siemens' ongoing cost saving initiatives, including reorganization of its Power and Gas, and Process Industries and Drives divisions, and expansion of its digitization business to support margins. We also expect Siemens will continue to address its controllable cost base with targeted productivity improvement of 3%-5% of aggregate functional costs annually. Overall, we expect adjusted EBITDA margins to increase in 2019 and 2020 compared with 2018.

In 2018, Siemens was able to expand revenue in most of its industrial businesses, but this was offset by a significant decline at the Power and Gas division, which continues to be negatively affected by contracting markets. Revenue in fiscal 2018 therefore showed a minor 0.1% decline to €83.0 billion. Adjusted EBITDA margins declined to 13.4% from 14.6% in 2017, most notably due to severance charges of €0.8 billion booked in the Power and Gas division. Siemens is repositioning its power generation and large drives businesses due to the permanently reduced market demand for these products.

Company Description

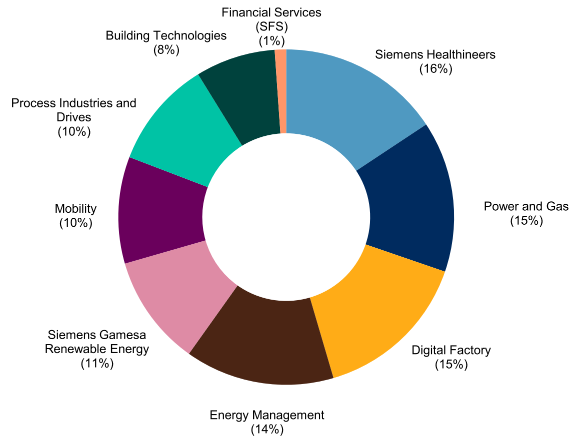
Headquartered in Munich, Siemens is a leading global technology and engineering group, with a diverse portfolio ranging from power plant construction and wind turbines to rail vehicles and medical technology. The group is a leading global provider of digitalized solutions, including diagnostics, simulation services, and industrial software across all product segments. The group is present in almost all countries worldwide, and had about 379,000 employees on Sept. 30, 2018.

Siemens' businesses are bundled into the following divisions: Power and Gas; Energy Management; Building Technologies; Mobility; Digital Factory; and Process Industries and Drives; as well as the Strategic Units Healthineers and Siemens Gamesa Renewable Energy. Together these divisions form the Industrial Business. Financial services are offered through Siemens Financial Services.

During fiscal 2018, Siemens generated €83 billion of sales and €6.2 billion of operating income before taxes.

Chart 2

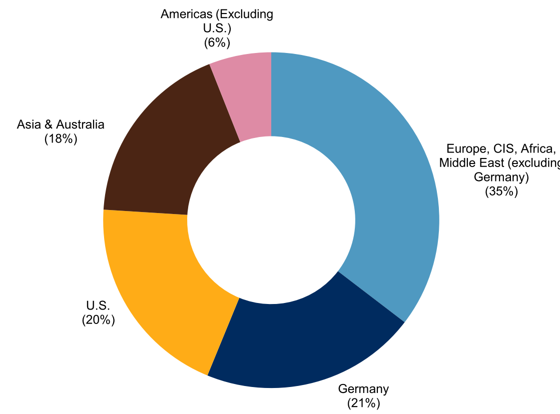
Siemens AG: Revenue By Business Segment



Source: S&P Global Ratings.

Chart 3

Siemens AG: Revenue By Geography



CIS--Commonwealth of Independent States. Source: S&P Global Ratings.

Business Risk

Siemens is exposed to a wide variety of industries and their related risks, primarily within the traditional capital goods area. We consider that the group's less cyclical divisions, such as Digital Factory and Building Technologies, have lower risk, while we view Power and Gas, and Process Industries and Drives as more volatile. In our view, the Energy Management, Siemens Gamesa Renewable Energy, and Mobility divisions have long operating cycles and higher industry risk. Since March 2018, the group has operated its lowest risk division, healthcare, as a separate listed entity, but it holds a majority stake after the listing of 15%.

Our view of Siemens' business risk profile is supported by the group's strong industry, geographic, and customer diversification, leading market positions as a systems provider rather than as a component supplier, and supportive long-term demand characteristics in most of its business lines. Siemens holds a top-three global position and is often the leading player in the markets where it competes. We expect that the group will continue to focus on higher-margin businesses and digitalization, and continue to restructure or divest its noncore low-performing businesses, as well as adjust capacity in its core traditional industrial segment to match current market needs.

Siemens submitted more patent applications than any other company in Europe in 2018, at 2,493, leading Huawei, Samsung, and LG. More than 25% of patent applications were in the area of digitalization.

Siemens' performance, with the exception of Healthineers, is linked to GDP growth and the investment cycle, but we see a positive long-term demand pattern for Siemens' products and solutions. Generally, Siemens' process know-how and technological capabilities provide the group with a strong competitive advantage, and underpin performance in the longer term. In our view, these strengths are reduced by Siemens' exposure to late- and long-cyclical markets, and average profitability relative to the wider capital goods industry. However, we expect the growing share of services, including digital solutions and software, will result in lower cash flow volatility and improved margins.

Peer comparison

Table 1

Siemens AG -- Peer Comparison

Industry Sector: Capital Goods/Diversified				
	Siemens AG	**General Electric Co.**	**ABB Ltd.**	**Schneider Electric S.E.**
Rating as of March 18, 2019	A+/Stable/A-1+	BBB+/Stable/A-2	A/Stable/A-1	A-/Stable/A-2
	--Fiscal year ended Sep. 30, 2018--	**--Fiscal year ended Dec. 31, 2018--**		
(Mil. €)				
Revenues	82,232.0	99,259.6	24,161.1	25,720.0
EBITDA	11,025.0	11,597.4	2,617.7	4,142.5
FFO	7,164.1	5,128.2	2,576.5	3,036.3
Net income from cont. oper.	5,683.0	(18,408.6)	1,266.5	2,357.0
Cash flow from operations	8,617.2	5,632.6	2,028.8	2,618.3
Capital expenditures	2,215.0	3,187.2	674.3	509.0
Free operating cash flow	6,402.2	2,445.4	1,354.5	2,109.3
Discretionary cash flow	3,265.2	(1,009.5)	(145.2)	806.3
Cash and short-term investments	12,352.0	18,378.9	3,630.9	2,391.0
Debt	5,826.0	54,864.4	3,896.4	7,242.1
Equity	45,389.0	42,702.5	12,694.6	21,777.8
Adjusted ratios				
EBITDA margin (%)	13.4	11.7	10.8	16.1
Return on capital (%)	12.8	6.1	9.9	12.0
EBITDA interest coverage (x)	10.5	3.4	9.8	7.6
FFO cash interest coverage (X)	8.2	4.1	13.4	15.2
Debt/EBITDA (x)	0.5	4.7	1.5	1.7
FFO/debt (%)	123.0	9.4	66.1	41.9
Cash flow from operations/debt (%)	147.9	10.4	52.1	36.2
Free operating cash flow/debt (%)	109.9	4.6	34.8	29.1
Discretionary cash flow/debt (%)	56.0	(1.7)	(3.7)	11.1

FFO--Funds from operations.

Financial Risk

We base our assessment of Siemens' financial risk profile on the group's strong balance sheet, exceptional liquidity, strong discretionary cash flow generation through the cycle, and financial flexibility. At fiscal year-end 2018, Siemens' adjusted debt was about €5.8 billion, €6.6 billion less than the previous year. This decrease was largely due to high cash levels following the partial listing of the healthcare business in 2018, and a decreased pension deficit because of high discount rate assumptions compared with 2017.

Additionally, adjusted FFO to debt improved to 123% in 2018 from 74.7% in 2017, and adjusted debt to EBITDA improved to 0.5x from 1.0x. In our adjusted debt calculation, we exclude €24.2 billion of debt at the group's captive finance operations, and deduct €9.8 billion of surplus cash. We view the captive finance operations as neutral to

Siemens' credit profile.

We anticipate that Siemens will maintain credit ratios that compare favorably with our expectations for the rating, including adjusted FFO to debt in the range of 45%-60% or higher and significantly positive adjusted free operating cash flow in excess of €6.5 billion per year. Siemens currently has significant headroom under its key credit ratios relevant to the rating, which had further improved in 2018 due to the proceeds from the listing of a minority share of Siemens Healthineers, which added to the group's financial flexibility.

We continue to view Siemens' financial policy as conservative, reflecting the group's commitment to a strategy focusing on low leverage, including its publicly communicated leverage target of 1x industrial net debt to EBITDA, long-term funding, access to undrawn committed bank facilities, and ample liquid funds. We expect Siemens to continue to follow its leverage guidance in the long term, and to allocate its capital according to group principles of investment and shareholder remuneration.

Financial summary

Table 2

Siemens AG -- Financial Summary					
Industry Sector: Capital Goods/Diversified					
	--Fiscal year ended Sep. 30--				
(Mil. €)	**2018**	**2017**	**2016**	**2015**	**2014**
Revenues	82,232.0	82,275.0	78,820.0	74,781.0	71,174.0
EBITDA	11,025.0	11,994.5	10,746.5	9,100.0	9,628.0
FFO	7,164.1	9,298.6	8,136.7	6,494.7	7,908.4
Net income from continuing operations	5,683.0	5,993.0	5,262.0	5,251.0	5,266.0
Cash flow from operations	8,617.2	5,863.6	6,450.6	5,669.4	6,353.9
Capital expenditures	2,215.0	2,003.0	1,793.0	1,543.0	1,488.0
Free operating cash flow	6,402.2	3,860.6	4,657.6	4,126.4	4,865.9
Discretionary cash flow	3,265.2	759.6	1,594.6	1,198.4	2,152.9
Cash and short-term investments	12,352.0	9,617.0	11,897.0	11,132.0	8,938.0
Debt	5,826.0	12,453.8	13,341.8	9,601.0	5,375.7
Equity	45,389.0	41,919.0	32,193.0	33,633.5	29,543.4
Adjusted ratios					
EBITDA margin (%)	13.4	14.6	13.6	12.2	13.5
Return on capital (%)	12.8	15.3	16.0	17.3	19.6
EBITDA interest coverage (x)	10.5	11.2	9.4	9.8	108.6
FFO cash interest coverage (x)	8.2	10.4	11.5	13.7	14.2
Debt/EBITDA (x)	0.5	1.0	1.2	1.1	0.6
FFO/debt (%)	123.0	74.7	61.0	67.6	147.1
Cash flow from operations/debt (%)	147.9	47.1	48.3	59.1	118.2
Free operating cash flow/debt (%)	109.9	31.0	34.9	43.0	90.5
Discretionary cash flow/debt (%)	56.0	6.1	12.0	12.5	40.0

FFO--Funds from operations.

Liquidity

The short-term rating is 'A-1+', derived from our financial risk profile and liquidity assessments. We regard Siemens' liquidity as exceptional, with an expectation that liquidity sources will continuously exceed uses by 2x over the next 24 months. We further view Siemens' bank relationships as well established, its credit market standing as high, and its financial risk management as very prudent.

Principal Liquidity Sources	Principal Liquidity Uses
• Reported cash and cash equivalents of €12 billion on Dec. 31, 2018. • A total of €8.3 billion unused under the €9.5 billion committed revolving credit facilities (RCFs), including an RCF maturing in 2024. • FFO in the range of €8.0 billion-€9.0 billion per year.	• Long- and short-term debt maturities of about €5.0 billion in 2019, and about €6.9 billion in 2020. • Annual capex of €2.5 billion-€3.0 billion. • Our assumption of discretionary dividend payments within the group's targeted payout range of 40%-60% of net income.

Debt maturities

On Dec. 31, 2018:

- 2019: Approximately €5.05 billion
- 2020: Approximately €6.9 billion
- 2021: Approximately €2.5 billion
- 2022 and beyond: Approximately €18.8 billion

Other Credit Considerations

Our analysis includes a one-notch uplift based on Siemens' moderate diversification, reflecting the broad reach of the group's moderately correlated products and end markets. In particular, we view the contribution of the healthcare segment as positive for the group's credit profile. We believe that this segment will continue to benefit the group in terms of diversification, despite the recently announced partial listing of the entity.

We view the group's captive finance operations, including Siemens Financial Services GmbH (A+/Stable/A-1+), as neutral in terms of the group's credit profile.

Environmental, Social, and Governance

Environmental, social and governance are factors are embedded in our analysis of Siemens, but are not a material driver of the rating over the coming two years. For the capital goods industry as a whole, the biggest factors will be carbon emissions reduction, management of resources from a environmental perspective, and human capital management from the social point of view. Siemens has demonstrated a spotless record with regard to managing these risks.

Sustainability is one of the Siemens' core organizational values. The company has aligned its internal targets with the UN's Sustainable Development Goals 2030. As a part of its environmental agenda, Siemens pledges its operations will be carbon neutral by 2030, by reducing in-house CO2 emissions.

Automation, digitalization, and robotics represent global trends in the capital goods industry and create new opportunities for growth and profitability improvements. However, at the same time, they will fundamentally change the work environment for employees in manufacturing. Global leaders, such as Siemens, in our view will be able to achieve the trade-off between additional investments and competitive gains, while providing relevant training and qualifications to employees to prepare them for the changes in the working environment, and thereby preserve their human capital.

From the governance standpoint, Siemens adheres to the highest standard of disclosure, in line with large international players. Management is committed to a long-term strategy, supporting stable organic growth, profitability gain, and clear organizational goals and values.

Issue Ratings--Subordination Risk Analysis

Capital structure

Siemens' outstanding debt consists largely of senior unsecured obligations issued by a number of the group's financing entities.

Analytical conclusions

We consider the possibility of any lender being significantly disadvantaged compared with other lenders for issuers such as Siemens (with adjusted debt to EBITDA levels below 2x) as low. Therefore, we rate the senior unsecured long-term debt issued by Siemens at the same level as our issuer credit rating on the issuer.

Reconciliation

Table 3

Reconciliation Of Siemens AG Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. €)

	--Fiscal year ended Sep. 30, 2018--								
Siemens AG reported amounts									
	Debt	**Shareholders' equity**	**Revenues**	**EBITDA**	**Operating income**	**Interest expense**	**EBITDA**	**Cash flow from operations**	**Capital expenditures**
	32,177.0	45,473.0	83,044.0	9,605.0	6,186.0	1,089.0	9,605.0	8,415.0	2,602.0
S&P Global Ratings' adjustments									
Interest expense (reported)	--	--	--	--	--	--	(1,089.0)	--	--

Table 3

Reconciliation Of Siemens AG Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. €) (cont.)									
Interest income (reported)	--	--	--	--	--	--	1,481.0	--	--
Current tax expense (reported)	--	--	--	--	--	--	(2,619.0)	--	--
Operating leases	2,552.6	--	--	832.0	182.0	182.0	650.0	650.0	--
Postretirement benefit obligations/deferred compensation	4,330.0	--	--	161.0	161.0	156.0	(700.9)	1,571.1	--
Surplus cash	(9,881.6)	--	--	--	--	--	--	--	--
Capitalized development costs	--	--	--	(351.0)	(158.0)	--	(351.0)	(351.0)	(351.0)
Share-based compensation expense	--	--	--	386.0	--	--	386.0	--	--
Dividends received from equity investments	--	--	--	270.0	--	--	270.0	--	--
Captive finance operations	(24,198.0)	(2,657.0)	(812.0)	(282.0)	(1,331.0)	(400.5)	(850.1)	(652.0)	(36.0)
Asset retirement obligations	776.0	--	--	--	--	22.0	(22.0)	(14.0)	--
Non-operating income (expense)	--	--	--	--	1,478.0	--	--	--	--
Reclassification of interest and dividend cash flows	--	--	--	--	--	--	--	(1,002.0)	--
Non-controlling Interest/Minority interest	--	2,573.0	--	--	--	--	--	--	--
Debt - Guarantees	389.0	--	--	--	--	--	--	--	--
Debt - Other	(319.0)	--	--	--	--	--	--	--	--
EBITDA - Gain/(Loss) on disposals of PP&E	--	--	--	575.0	575.0	--	575.0	--	--
EBITDA - Business Divestments	--	--	--	(171.0)	(171.0)	--	(171.0)	--	--
Total adjustments	(26,351.0)	(84.0)	(812.0)	1,420.0	736.0	(40.5)	(2,440.9)	202.2	(387.0)
S&P Global Ratings' adjusted amounts									
	Debt	**Equity**	**Revenues**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**	**Capital expenditures**
	5,826.0	45,389.0	82,232.0	11,025.0	6,922.0	1,048.5	7,164.1	8,617.2	2,215.0

Ratings Score Snapshot

Issuer Credit Rating

A+/Stable/A-1+

Business risk: Strong

- **Country risk:** Intermediate
- **Industry risk:** Intermediate
- **Competitive position:** Strong

Financial risk: Modest

- **Cash flow/Leverage:** Modest

Anchor: a

Modifiers

- **Diversification/Portfolio effect:** Moderate (+1 notch)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Exceptional (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Related Criteria

- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, Sept. 21, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria - Corporates - General: Methodology: The Impact Of Captive Finance Operations On Nonfinancial
- Corporate Issuers, Dec. 14, 2015
- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers,
- Dec. 16, 2014
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria - Corporates - Industrials: Key Credit Factors For The Capital Goods Industry, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
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- Criteria - Corporates - Industrials: Key Credit Factors For The Health Care Equipment Industry, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers,
- Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Business And Financial Risk Matrix

Business Risk Profile	Financial Risk Profile					
	Minimal	**Modest**	Intermediate	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	**a+/a**	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of March 21, 2019)

Siemens AG		
Issuer Credit Rating		A+/Stable/A-1+
Issuer Credit Ratings History		
14-Nov-2012	*Foreign Currency*	A+/Stable/A-1+
18-Apr-2011		A+/Positive/A-1+
05-Jun-2009		A+/Stable/A-1
14-Nov-2012	*Local Currency*	A+/Stable/A-1+
18-Apr-2011		A+/Positive/A-1+
05-Jun-2009		A+/Stable/A-1
Related Entities		
RISICOM Rueckversicherung AG		
Financial Strength Rating		
Local Currency		A+/Stable/--
Issuer Credit Rating		
Local Currency		A+/Stable/--
Siemens Financial Services GmbH		
Issuer Credit Rating		A+/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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